ESTABLISHED 1887

No. 34,162

LONDON, TUESDAY, DECEMBER 29, 1992

Kuwaitis Are Asking Where the Money Went

By Youssef M. Ibrahim

New York Times Service New York Times Service

CAIRO — A multifaceted financial scandal is unfolding in Kuwait with assertions that more than \$5 billion was unlawfully taken from public funds during the Gulf War by husinessmen and officials who include members of the ruling Sabah

The apparently huge misappropriation of funds, under investigation now hy the Kuwaiti parliament and public prosecutors, has affected the creditworthiness of

of the world's largest oil exporters.

Among other things, the London-based Kuwait Investment Office that managed an investment portfolio of \$100 hillion has been reduced to a shadow of its former self; nearly 80 percent of its huge Fund for Future Generations has been used up to pay for bad investments and Gulf War

Scandal hovers over a major corpora-tion, Kuwait Oil Tankers Co., a public company under the oil ministry. Senior officials of its previous administration are under investigation for allegedly taking at least \$70 million during the Gulf crisis. Government ministers assert that there has been massive theft from Kuwaiti in-

vestments in Spain.
The Paris-based Kuwaiti French Bank has also been shot down as millions of

francs were discovered missing.

The upshot of the financial troubles is that Kuwait was forced this year to borrow from international banks for the first time in three decades, arranging between \$5 billion and \$10 hillion in loans.

The move, widely viewed as humiliating in a country still traumatized by the Iraqi invasion of 1990, triggered the investiga-

tions that are under way.

Even though Kuwaiti parliamentarians and government officials interviewed in the past few days - as well as some newspaper accounts — assert that the scandal is huge, details of what really hap-

pened are just emerging.

The bulk of the money is missing from the Kuwait Investment Office, which until two years ago managed its huge portfolio See SCANDAL, Page 12



Relatives carrying a family member who was wounded on Monday by a Serbian mortar that struck a Sarajevo cemetery during a funeral for a victim of fighting.

Clinton Finds Out Capital's Lobbyists Are Forever

By Michael Weisskopf

Washington Past Service

WASHINGTON — When Bill Clinton was running for president and decried the stranglehold of "entrenched power and money" in Washington, he was referring to people like a superlobbyist named Howard Paster.

Now Mr. Paster is working on the transition team of President-elect Bill Clinton, waiting to be appointed, along with other lobbyists, to a post in government.

If those "influence peddlers," as Mr. Clinton called them, seem out of place in his administration-in-waiting, they affirm an axiom of presidential politics: Easy to attack in campaigns,

Whether the lobbyists in the Clinton team represent a campaign contradiction or the inevitable rise of Washington veterans provokes debate. Are they too knowledgeable to exclude from government? Or are they too tainted to include?

The answer from Little Rock is reflected in Mr. Clinton's initial personnel decisions. He has named partners of major law-lobbying firms to top jobs — Ronald H. Brown as com-merce secretary, Samuel R. Berger as deputy national security adviser and Mickey Kantor as U.S. trade representative — and sprinkled his transition team with corporate representatives. from Vernon E. Jordan Jr. to lesser-known lawyers who are

lobhyists are hard to ignore when it comes to effective govern- drafting policy options and inventorying government depart-

Mr. Clinton seemed to go out of his way in his first postelec-

tion news conference to soften past criticism of lobbying, calling it "part of people's First Amendment rights."
"It's not that lobbyists are bad, it's the structure of power in Washington that prevents things from getting done," said Michael Waldman, a transition spokesman. "The issue is making the government work for the broad majority. The people

you have in there are the implementers." Politicians come and go in Washington, but lobbyists stay forever. Courtiers of Congress, they study power — who holds it

See CLINTON, Page 4

Turmoil in Taiwan Politics Puts a Lid on Stock Market

Kiosk

START-2 talks between

the U.S. and Russia hit an

unexpected snag. Page 2.

Health care in Japan and

Germany — strong points and drawbacks. Page 3.

Many U.S. facilities will

soon bave nowhere to

dump low-level nuclear

Page 2.

Israel Says 10 Deportees Can Return

By Laurence Zuckerman International Herald Tribune

TAIPEI - The hig slide in Taiwan stocks may be nearing a bottom, brokers and analysts said Monday, but the prospect of months of political uncertainty will prevent a significant

Prices have been tumbling on the stock exchange following a surprisingly strong showing by the opposition party in parliamentary elections earlier this month. That result, plus signs of a split in the ruling Kuomintang, has aroused fears of an era of confrontation and uncertainty in Taiwan politics.

"The election has taken all sides by surprise, and nobody knows where the dust is going to settle," said Myrick Hatch, managing director of Barclays de Zoete Wedd's Taipei office.

On Monday, the market index fell 128.33 points, or 3.7 percent, to close at 3,327.67. It

JERUSALEM (Combined Dispatches)

—The Israeli Army said Tuesday that 10 of
the 415 Palestinians deported to Lebanon

The army said in a statement that the

decision to deport the 10 Palestinians had

been found to be incorrect and that they Trib Index

0.92% 91.75

1.5275

123.945

on Dec. 17 could return.

124.90

Up * 7.02

3,333.26

The Dollar

was the lowest level in 23 months, and meant the index has lost more than 9 percent of its value since voters went to the polls on Dec. 19.

The extent of the sell-off is one of the strongest reasons for predicting a hottoming of prices in coming days, many analysts said. "At these prices, a loi of stocks begin to get very attractive." Mr. Hatch said.

"This is a very good time to buy," said Michael Chen of Fidelity Investments Taiwan. He was referring to blue-chip stocks, some of which are priced at just 10 to 12 times their earnings per share. There are predictions some of these companies will have earnings growth of 20 percent to 25 percent next year, making the price-earnings ratio attractive for buyers.

Still, Mr. Chen said, with political questions har ging over the market, the index was likely to

could return. But, it added, they will have to face trial in Isruel. Meanwhile, Yasser Arafat, chairman of

the Palestine Liberation Organization, will

meet Wednesday in Genera with the UN secretary-general, Butros Butros Ghali, the

Related article, Page 2

(Reuters, AP)

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China is slashing jobs in its

coal industry. Page 11.

Banco de Santander post-

ed a bond after allegations

about its lending. Page 13.

See TAIWAN, Page 14

In Mogadishu: Peace Rally, and Gunfire troops shot and killed a Somali gunman and

By Keith Richburg

Washington Post Service
MOGADISHU, Somalia — Thousands of jubilant Somalis turned out Monday to cheer the capital's two major warlords as they em-

hraced across the "green line" that has divided this devastated city into two warring sides. Also on hand were scores of vandals and gunmen who turoed the ceremony into a frenzy of looting and shooting, mostly directed against foreign jouroalists who came to

cover the event. In the day's most dramatic incident, U.S.

chased another through a shautytown after the Somalis stole a camera belonging to a

Warlord killed 100 as U.S. landed. Page 4.

television news crew and then sprayed a U.S. military position with machine-gun fire.

One member of the television crew, from Visnews, was slightly wounded by hullet fragments during the exchange between the robbers and the U.S. Marines. No American servicemen were wounded.

In separate incidents, a gunman fired on a pickup truck carrying a Los Angeles Times reporter to the rally, and a Washington Post photographer was in a truck that was rammed by another vehicle and then fired upon on a side street not far from the rally.

None of the journalists was injured. The rally, the first public appearance tother of the capital's two long-feuding warlords, was supposed to mark the dismantling of the demarcation line dividing the city and signal a new era of peace and reconciliation

See SOMALIA, Page 4



Mohammed Farrah Aidid, left, and Mohammed Ali Mahdi embracing Monday in Mogadishu at a celebration of their peace accord.

Let's Go Bowling! Clearly, a Patently Inventive Wish List for 1993

WASHINGTON - Many patents are no doubt very useful to someone somewhere in the world, but they do not exactly top the average wish list. How many consumers, for instance, have asked, "Why can they put a man on the moon, but they can't come up with a Highly Sensitive Magnetic-Field-Detecting Squid with dual demodulation circuit?"

The detecting squid and another newly patented invention, an anti-roll system for a missile launcher, are unlikely to become massmarket items. But for those starting early on

next year's holiday gifts, some of the following next year's holiday gifts, some of the following inventions may warrant watching:

• Donald O. Ashurst of Gardnerville, Neva-

thumh sheath, made of a ruhber-based compound, helps keep the ball from slipping out of control. The top of the sheath is covered with a slick material that gives the ball a good release, according to the inventor.

"When you bowl, your thumb changes," explained Mr. Ashurst. "It swells, which makes the ball stick, or it tends to shrink, which makes you drop the ball. If you bowl quite a hit, this is a variable you just do not want to have to deal with."

to perfect finger sheaths - to match the one belt or attached to the tuhing of the stetho-

da, has come up with the Apparatus for Improving Bowling Ball Control. A small, slip-on his invention a whirl.

The side benefit is the protection this thing offers," he said. "Guys who really crank the ball get really bloody sometimes.

Dr. Raymond O. West of Belfair, Washington, has invented something almost everyone longs for sooner or 'er: a stethoscope warmer. It is a little pouci. Fat contains two pockets, one for the stethoscope and one for a chemical heat reactor that activates once it is punctured, and stays hot for 12 hours. The While he searches for a company willing to market his apparatus, Mr. Ashurst is working scope into the device, which can be worn on a

up, the medical worker can begin the examina- \$10,000.

• Another new invention also deals with heat: Ernest S. Kettelson and Henry R. Narcisi have come up with a way to cook pasta in about 60 seconds. Imagine coming home from a long day at work, throwing some pasta in a pan on your way to the closet, and having it cooked before you get your shoes off.

Such instant noodles are not likely to be available in home kitchens any time soon; the device has been designed primarily for commercial kitchens, although it may eventually be scaled down for home use. Its inventors bope

to sell the commercial version for \$6,000 to

 Andrew B. Mallon of New York has designed an interest-paying piggy hank, which could please parents as much as their kids. The piggy bank has two chambers in its interior, one that collects quarters and another that holds nickels. Once a quarter is deposited, it triggers the nickel chamber, which then pushes a nickel out of the mouth of the pig, as a dividend for the depositor.

The idea was really to teach children the value of saving money," said Mr. Mallon. He would like to market his piggy bank for less

Allies Ready To Use Force **Against Serbs** In Bosnia

Shift by France Allows West a Tougher Line on Enforcing Flight Ban

By Joseph Fitchett International Herald Tribine

PARIS — Western nations have started a countdown toward military intervention in Bosnia, U.S. and European officials said Mon-day, as France moved closer to the Bush admin-

day, as France moved closer to the Busin administration's tougher stance on curbing Serbian defiance of the United Nations.

With U.S. officials publicly complaining about European governments' passivity in tackling a crisis on their own doorstep, the French government has now agreed that it may be necessary to destroy not only offending aircraft but Serbian airfields as well to obtain compli-ance with the UN ban on flights over Bosnia. In an attempt to bring home to Belgrade the seriousness of Western intentions, both Presi-

Vulnerable? British troops disagree. Page 2.

dent George Bush and the United Nations secretary-general, Butros Butros Ghali, have warned Yugoslav leaders that international action is imminent against continuing Serbian

For immediate action, the centerpiece for military moves is the air exclusion zone, ap-proved in October by the UN Security Council hut so far not hacked up militarily. It will get teeth from a new resolution on enforcement expected this week.

In negotiations ahead of the resolution. France has agreed that the escalation may include attacks on airfields or other ground installations, Foreign Minister Roland Dumas

France pledged earlier this month to partici pate in international action against Serbian planes and helicopters in Bosnia, but Mr. Dumas's public commitment came as calls within

France for urgent action became more pressing. In seeking agreement on a battle plan in Bosnia, the French government wants to announce Western readiness for air strikes against Scrbian airfields but keep it as a threat to be implemented only if Serbian forces retaliate against UN peacekeeping forces for the interdiction of flights over Bosnia,

Although the UN units, which include 2,500

French troops, appear to be a match for Serbi-an irregulars, they could be at serious risk if Belgrade carried out the threat already made by Yugoslav commanders to order into action it

well-equipped regular forces. Serbian targets, a French official said Monday, is "the only hope we have of deterring retaliatory attacks on our troops which, unlike American forces, are there on the ground."

Some U.S. officials have suggested that any western military intervention should open with knock-out blows against some Serbian installa-tions, but the French official said that Paris expected to win support for what he called "our graduated approach."

The more hawkish U.S. position, several officials said, was partly designed to intimidate. Serbian leaders, who are scheduled to take part in a critical round of peace talks in Geneva this

Spelling out the hluntest U.S. warning yet to Belgrade, Mr. Bush — in a message to Yugoslav leaders last week, according to a New York Times report — said that the United States was prepared to use force if Scrbian aircraft continued violating the no-flight ban in Bosnia and also to retaliate against any Serbian attack on UN forces or relief convoys.

The U.S. message was addressed orally and

See BOSNIA, Page 4

U.S. Beefs Up Forces in Gulf To Monitor Iraq

By Michael R. Gordon

WASHINGTON — The United States rushed to beef up its fighter force near Iraq on Monday, taking the unusual step of sending two squadrons of navy warplanes to Saudi Arabia from an aircraft carrier off the coast of

The deployment of the navy planes followed the shooting down Sunday of an Iraqi plane hy a U.S. F-16 over southern Iraq. The Iraqi Air Force was flying patrols Monday, but Iraqi planes steered clear of the air exclusion zones in southern and northern Iraq, according to U.S.

Before the downing, there had been a gradual reduction of U.S. forces in the Gulf, which may have emboldened the Iraqis to test the allied determination to enforce the flight ban in southern Iraq. An aircraft carrier was shifted from the Gulf to the waters of the coast of Somalia and some U.S. Air Force planes were also withdrawn.

As a result, American warplanes were not patrolling the air exclusion zone south of the 32d parallel at all times, and some Iraqis incursions into the zone may have taken place when U.S. planes were not in the vicinity, according to elassified intercepts of electronic commun

cations. But since the downing of the Iraqi plane, the American forces have been beefed up and allied planes are once again patrolling the exclusion zone 24 hours a day.

According to Pentagon officials, a squadron of F-18 navy jets and a squadron of F-14 navy fighters landed Monday in Dhahran, Saudi

The southern exclusion zone was declared in August by the United States, Britain and See IRAQ, Page 4



The British vehicles have special armor plates that deflect incoming shells, and are equipped with 30mm cannons and special guns that fire smoke canisters. The rockets ricocheted off the British armor, leaving, at worst, small burn marks on the white

Instead of firing back, the British just kept plowing ahead and did not stop until they reached the local Serb command headquar-

"We got out and shook their hands," said a British military spokesman. "The Serbs couldn't believe it. They were amazed."

That engagement, in which Serb pride was the only casualty, was the best demonstration yet that the United Nations troops who are most exposed to danger in Bosnia are not as vulnerable as Western leaders proclaim.

Fears for the safety of UN troops on the ground have made it difficult to build a consensus in the UN to enforce a han on Serbian flights over Bosnia or otherwise intervene militarily.

The British soldiers who are delivering relief supplies near the frontline here are a bit amused by the hand-wringing.

Veterans of the Gulf War and Northern Ireland's sectarian combat, they do not understand what.



A British trooper, high-powered weapons near at hand, working on a Warrior fighting vehicle Monday in snow-blanketed Vitez.

all the fuss is about, and they might suffer severe casualties is little sign of concern among the especially do not like politicians from the Serbs, whose mild pique soldiers. The situation here seems especially do not like politicians portraying them as frightened and

"We don't feel so vulnerable,". said the spokesman. "We could" give a nasty headache if we want-

Prime Minister John Major of Britain has emerged as a key oparguing that his 2,400 troops there

would probably become full-hlown antagonism if the UN sides officials and Western diplomats who say the focus on vulnerability with the Bosnians. From the start of the war in

Bosnia, and long before British soldiers began escorting relief convoys, the British government opposed military intervention. In Vitez, which is the key for-

There's this myth that the day you shoot down a Serb jet these 10-foot-tall man-eating Serbs will slaughter all the innocents," said a ward hase for British troops, there Western diplomat in Zagreb.

to support the view of Bosnian

is simply an excuse to put off

He noted that the raging Serbs, conquerors of undefended cities. have shown little discipline or

"The West is looking for ex-cuses to not intervene," said Besim Spahie, mayor of Zenica, a Bosnian city 25 kilometers (15 miles) from Vitez. "The Serbs are wise. With their threats, they try to keep the West from interven-

Advocates of intervention propose air strikes against military targets in Serb-held territory and in Serbia itself. All that the UN troops on the ground would have to do, the argument goes, is hun-ker down and curtail their relief operations.

Bosnian officials bave said that they would gladly swap the relief operation for intervention.

The main threat to British forces would come from heavy artillery fire, according to the military spokesman.

The frontline is about 15 kilometers from the forward base in Vitez, well within range of the Serbs' 155mm howitzers. An accurate shot could cause severe casu-

hostile situation, the Serbs would have to be on target with their first shot because their guns would likely be taken out before second or third salvos could be fired.

The British Army. like the U.S. Army, is equipped with advanced radar and thermal-sensing equipment that can quickly locate smoking guns.

Serh artillery could be taken out in several ways, military offieers say. The easiest method would be air strikes.

Also, the British are believed to have special forces soldiers in Bosnia who could infiltrate behind

Although the British do not now have howitzers in place with which to fire back, weapons of that sort could speedily he shipped to Vitez.

local authorities near his hometown of Münster asking them to reverse a decision against permitting a faith healer to practice. The letter, written in October, seemed likely to fuel calls for his resignation that came last week over suggestions that Mr. Möllemann had used his influence to help a But British officers say that in a company run by a cousin.

Members of the governing coalition as well as the opposition have asked Mr. Möllemann to step down. The Social Democrats on Monday announced a special session of parliament's economic affairs committee on Jan. 4 to question him. Mr. Möllemann, a Free Democrat, has rejected France Gets China Broadside on Jets

BEIJING (AP) - China, through the Xinhua press agency. issued a blistering condemnation Monday of France's reported plan to sell 60 warplanes to Taiwan, indicating that Beijing's wrath may not be spent.

Last week, China ordered France to close its consulate in Guangzhou, removed France from competition for a subway contract and threatened to halt Chinese-French cooperation on a nuclear power plant.

WORLD BRIEFS

WASHINGTON (AP) - A former U.S. Air Force serviceman has

been charged with espionage for allegedly passing elassified CIA information to Philippine government officials, the FBI said Monday.

Joseph Garfield Brown, 44, was arrested Sunday at Dulles International Aircraft Sunday at Dulles International Aircraft Sunday at S

al Airport outside Washington as he arrived on a flight from Japan, the

According to an affidavit unsealed Monday at Mr. Brown's court

appearance in Alexandria, Virginia, he admitted passing at least one

classified document to a Philippine official. He was being held pending a bail hearing Wednesday. He allegedly received the classified information from Virginia Jean Baynes, a CIA employee at the U.S. Emhassy in Manila. She is serving a 41-month prison sentence.

German Minister Is Pressed to Quit

BONN (Reuters) - Economics Minister Jürgen Möllemann came

under renewed political pressure Monday with the second allegation in a

week that he had used his position to influence matters outside his

A spokesman confirmed reports that Mr. Möllemann had written to

U.S. Holds Ex-Serviceman as a Spy

On Monday, the Xinhua commentary seemed to hint that more retaliation was in store. France's decision to sell the planes, it said. "will force it to eat the bitter fruit." It added: "The French side has claimed that its decision is merely of an economic nature and has nothing to do with French-Chinese political ties. This is specious reasoning. The deal will threaten the balance of power across the Taiwan Straits

Brazil Court Rejects Delay for Collor

BRASILIA (AP) - The Supreme Court chief justice rejected Monday

an appeal to delay the impeachment trial of the suspended president, Fernando Collor de Mello, allowing the trial to begin Tuesday.

The justice, Sydney Sanches, will preside over Mr. Collor's impeachment trial in the Senate. The president's lawyers had asked for an additional 30 days to prepare his defense against charges of misconduct, for which he was impeached Sept. 29. Mr. Collor, Brazil's first freely elected president in three decades, was suspended for 180 days pending his trial in the Senate. his trial in the Senate.

Mr. Collor, who is accused of profiting from a multimillion-dollar shish fund run by his former campaign treasurer, was elected on a clean-government, free-enterprise platform. Vice President Itamar Franco, who took over as acting leader when Mr. Collor was suspended, would serve the remaining two years of Mr. Collor's five-year term if he is removed,

Khmer Rouge Bars UN Checkpoints

BANGKOK (Renters) — Khieu Samphan, leader of the Khmer Rouge, said Monday that his guerrillas would not allow UN peacekeepers to set up checkpoints in parts of Cambodia under their control when sanctions against the Khmer Rouge begin Friday.

Mr. Khien Samphan specifier to expecters after a meeting in Bangkok

Mr. Khien Samphan, speaking to reporters after a meeting in Bangkok with Thai Foreign Minister Prasong Soonsiri, implicitly threatened any

peacekeepers who tried to enter its zones.

The UN Security Council voted in November to impose sanctions on log exports to Thailand from Khmer Rouge zones and oil imports because of the faction's refusal to honor the Paris peace accord signed in October 1991 to end 13 years of civil war. The Khmer Rouge, alone of the four warring factions, has refused to disarm or allow troops of the UN Transitional Authority in Cambodia free access.

Russians Report Nuclear Plant Leak

MOSCOW (Reuters) - Radioactive water has leaked into a reservoir from a nuclear power plant near Yekaterinburg in the Ural Mountains, but there is no danger to the population, Itar-Tass said Monday.

"The situation around the station does not pose any danger to the

people and the environment," Tass quoted managers of the power station It said radiation levels at the reservoir had risen slightly. The accident

was being investigated. Tass said the leak was at Category i, the lowest level on a seven-point scale of nuclear accidents drawn up by the International Atomic Energy Agency. The 1986 Chernobyl accident was

20 Hurt in Lima Embassy Bombings

LIMA (Reuters) — Communist guerrillas exploded car bombs near the Japanese and Chinese embassies here Monday, wounding about 20, police sources and witnesses said.

It was the second bomb to explode near the Chinese mission in three days. Guerrillas also damaged the Costa Rican and Austrian embassies on Saturday with a car bomb. Flags bearing the symbol of the Communist Party of Peru, also known as Shining Path, were hung in poor sections

Japan has provided strong backing to the government of President Alberto Fujimori of Peru, the son of Japanese immigrants. Shining Path has denounced the current regime in Beijing as traitors to the ideals of

Slovaks Seek Czech Citizenship

PRAGUE (AP) — Thirty thousand Slovaks reportedly have applied for Czech citizenship since Dec. 9, when criteria for application were announced, the newspaper Lidove Noviny reported Monday.

Czech and Slovak leaders agreed to dissolve the 74-year-old union of

the two republics on Jan. I after failing to resolve deep economie and political differences.

The larger, wealthier Czech republic has a population of more than 10 million, while Slovakia, the more rural eastern third of the country, has 5 million people. There have been no reports of significant numbers of Czechs applying for Slovak citizenship. Slovakia will permit dual citizen-

Dresden Holds Vigil Against Racism

DRESDEN - More than t0,000 people held a silent candlelight vigil against racism and rightist violence here Monday. There have been several such demonstrations across Germany this month; a total of well over a million people have taken part.
Since three Turkish citizens burned to death after their home was set

afire last month, Bonn has banned three neo-Nazi groups, strengthened police forces nationwide and authorized the search of hundreds of apartments and offices for evidence to be used in prosecuting perpetra-

For the Record

Refugees from the war in the former Yugoshvia have pushed the number of asylum seekers in Sweden to a record 85,000 this year in spite of signs that hostility to foreigners is growing. Japan broke its silence on its controversial shipment of 1.5 tons of

plutonium from France, saying it would arrive Jan. 5. The Akatsuki Maru, which left France Nov. 7 with its radioactive cargo, will dock at Tokai, north of Tokyo.

Chinese legislators have toughened penalties for hijacking, adopting the death sentence for some offenses and a minimum sentence of 10 years in prison for all hijackers, the Xinhua press agency said. The death sentence would be imposed on hijackers who killed, caused serious injury or heavily damaged aircraft, the agency said.

TRAVEL UPDATE

stay in the country more than three months, the official press agency

Cold winds from the Balkags brought an unusual snowfall to central and southern Italy on Monday. From Florence to the Puglia region, cars slipped off roads and schools closed, sti lodges filled and snowplows plied the highways. Snow also fell on Sardinia, where people had been swimming Christmas Day.

from an outbreak in the Zambian capital to 110, the Health Ministry said. Another 1,280 people have been treated for the gastrointestinal disease in the city and its surrounding area this month, it said

Go Through Israel, UN Envoy Is Told

Beirut Bars Access

To the Deportees

Compiled by Our Staff From Despatches MARJ AZ ZOHOUR, Lebanon

The Lebanese government barred a United Nations envoy from passing through its territory Monday to visit 415 Palestinian deportees camped between Israeli and Lebanese military checkpoints in southern Lebanon.

The government said that the envoy, James O.C. Jonah, who is due in Beirut from Israel on Tuesday. could only reach the 415 Palestinians through Israeli lines.

In a meeting earlier with Mr. Jonah in East Jerusalem, Palestinian leaders urged him to push for the immediate repatriation of the Palestinians, who were deported by Israel on Dec. 17.

In their makeshift camp, the dertees fought against the worst cold that had gripped the region since they were deported.

"It's a total stalemate," said Bernard Picfferle, chief delegate in Lebanon of the International Committee of the Red Cross. "They won't survive the winter out there

In Beirut, Health Minister Marwan Hamadi turned down a Red

Russians to Sell Plutonium 238 To Washington

The Associated Press MOSCOW - Russia will sell up to 44 kilograms of plutonium 238 to the United States, the ITAR-Tass press agency said Monday. It said contract negotiations between the Department of Energy and Russia's Department of Nuclear Engineering will begin soon.

According to the report, the United States has agreed to put the radioactive isotope to "peaceful purposes" in space research.

The sale was approved last week by Prime Minister Viktor S. Cher-nomyrdin, a spokesman said here. Mr. Chernomyrdin's decree says the sale is "in the interests of expanding cooperation in the area of using radioisotope sources of electricity for peaceful space research."

Plutonium 238 has a number of uses. It can be used to power spacecraft instruments or heart pacemakers and, if bombarded with neutrons, turned into weaponsgrade plutonium 239

Cross request to take relief supplies to the deportees via Lebanese terri-

Whoever committed the crime must assume the responsibility," he said, referring to the deportations hy Israel. "We refuse to be Israel's accomplices."

Israel has refused to allow aid shipments through. On Monday, Israeli troops blocked Israeli Arah leaders from driving a convoy of food and medicine into Lebanon to aid the deportees.

The police blocked their path at the Rosh Hanikra crossing. The Arabs, including at least one member of the Israeli parliament, turned back.

Lebanon, saying it refuses to become a "dumping ground" for Israel, has refused to accept the depo tees, so they have been stranded between a forward checkpoint of the Lehanese Army and Israel's self-declared "security zone" in southern Lebanon

Hanan Ashrawi, spokeswoman for the Palestinian delegation to the Middle East peace talks, said after meeting with Mr. Jonah that the fate of the deportees had become "an issue of immediate human urgency and concern" because of the tragic circumstances under which they are living."

The deportees, she said, "should not be made pawns in a political

Mrs. Ashrawi said the Palestinians demanded that the deportees be returned immediately, in line with the UN Security Council resolution condemning the expulsion. Mr. Jonah conferred Sunday

with Prime Minister Yitzhak Rahin and Foreign Minister Shimon In another development, the Is-raeli Army said Monday that it was

reviewing its files in light of news reports that at least seven of the Palestinians had been deported in An army review showed that the seven, among them a 16-year-old detained for spraying political slo-gans, were expelled contrary to the

orders of regional commanders, ls-

raeli radio and the newspapers

said. The number could be as high as 10, according to the radio report. It quoted officials as saying the mistakes apparently resulted from poor coordination, mistaken iden-tity and negligence. The army hastily rounded up those slated for deportation and put them on buses headed for Lebanon. (Reuters, AP)



Israeli policemen at the Rosh Hanikra gate into Lebanon barring passage to a group of Israeli Arabs carrying supplies for the deportees.

Technical Issues Stall START-2 Accord

By Elaine Sciolino
New York Times Service

GENEVA - The United States and Russia on Monday failed to complete a far-reaching nuclear arms reduction agreement, but the two sides were to meet again and Foreign Minister Andrei V. Kozyrev offered to bet a bottle of whisky on a positive outcome.

Speaking Monday night, Secretary of State Lawrence S. Eagleburger said stiffly that both sides were "making progress" on the START-2 accord. When asked whether he expected to hridge the differences on stubborn technical issues before he leaves Geneva on Tuesday, Mr. Eagleburger replied, "We will work as hard as

Mr. Eagleburger was noticeably less optimistic Monday than he was on Sunday, when he called technical issues "no longer relevant," and said that there was "better than a 50-50 chance" that the two countries would reach agreement Monday on the arms pact, which would slash the arsenals of American and Russian long-range nuclear warheads to about onethird of current levels.

He added that he could not believe that it would "take more than 24 hours to get it settled if we are going to get it settled at all."

But morning sessions with Mr. Kozyrev and the defense minister, General Pavel S. Grachev, and a meeting of technical experts later in the day failed to hridge the differences on any of the outstanding technical issues, a senior ad-ministration official said.

Mr. Eagleburger declined to comment on the remaining problems, saying, "We're not going to say anything more until after we've got this thing finished."

But the senior administration official said that the outstanding obstacles involved both technical issues as well as political decisions. "As you get to resolving everything especially in treaty language it becomes very difficult to do." the official said. "The devil is still in some

of those details."

Mr. Kozyrev was more upbeat than Mr. Eagleburger. When asked whether he expected an agreement, he said: "I am ready to bet a bottle of whisky. We will do such work here to.

right decision after the negotiations here." If agreement is reached, President George Bush and President Boris N. Yeltsin will hold a summit meeting in the Black Sea resort of Sochi in early January. If not, the agreement's fate will be left to the Clinton administration.

Last June, at a meeting in Washington, Mr. Busb and Mr. Yeltsin agreed in principle to the START-2 accord, which would sharply reduce the arsenals of nuclear missiles on both sides and eliminate all multiple-warhead missile based on land, the core of the former Soviet Union's nuclear arsenal. But the financially strapped Russians complicated matters by making three new demands.

First, Russia wants to keep rather than de-stroy the storage silos for SS-18 missiles and modify them for the storage of other missiles. Second, Russia wants to be allowed to remove warheads from its remaining SS-19 multi-ple-warhead missiles by removing five of the six warheads, instead of developing a costly new single-warhead missile.

Third, there is disagreement on how to count make it possible for our presidents to have the unclear missiles on American bombers.

Michigan was expelled from the

Midwest compact last year because

it refused to permit creation of a dump site within its borders. As a

result, the Veterans Administration

Hospital in Ann Arbor, among oth-

ers, refuses patients needing radio-

active diagnoses or treatment,

California, which produces near-

ly 9 percent of the nation's low-

level radioactive waste, has been

planning for years - in compact

put a dump in Ward Valley, in the

Mojave Desert near Needles, close

to the Arizona border. But the pro-

ject is ned up in complex legal and

with Arizona and the Dakotas

sending them out of state.

In U.S., a Crisis Over Radioactive Waste

By Robert Reinhold New York Times Service of hospitals, pharmaceutical mak-radioactive waste. ers and electric utilities across the

United States face grave new trou-

CACTUS PARIS 68, roe de Ponthieu 45.62.01.77 would like to wish

CACTOS MADRID Caballero de Gracia, 10

A HAPPY NEW YEAR and congratulates them on their You can bring in the New Year at either one with LIVE MUSIC and CHAMPAGNE

bles in the new year, when it will become much more difficult and LOS ANGELES - Thousands costly to dispose of their low-level

The problems arise from a 12year-old U.S. law that was intended to make the disposal of such waste more equitable to the states with dump sites. But political conflict and public opposition have frustrated attempts to carry out the

Under the law, the three states that have been accepting and burying radioscrive waste can, starting Jan, I, exclude any waste generated outside their own region. Nevada will shut its dump at Beatty completely, and Washington state's site at Hanford will accept waste from only six other northwestern states

That will leave only one dump open for the rest of the country, in Barnwell, South Carolina, where the authorities, enjoying a monopoly in an unwanted trade, will impose an "access" fee of \$220 a cubic foot for waste from states outside

the southeast region. That, plus transportation costs.

Even so, the South Carolina Columbia are barred from shipping dump is to shut to outsiders within to South Carolina and have no out-18 months and close altogether by

After that, given public opposition to new dumps, it remains unclear where the nation will he able to store the thousands of cubic feet of low-level radioactive waste, which includes equipment from nuclear power plants, contaminated clothing, radioactive "tags" that are used to track the flow of drugsin the body and radioactive cancer irealments.

The deepening crisis reflects the partial collapse of the interstate "compact" system Congress envisioned when it passed the Low-Level Radioactive Waste Policy Act of 1980. It encouraged states to join with neighboring states in building dumps so that each region shared the burden equally. Nine such compacts were formed.

But years of political gridlock and determined local opposition blocked the creation of any new dump sites. New York state never joined a compact and must now rely entirely on South Carolina.

The increasing problems with disposal have had some benefit: Production of low-level waste-dropped to 1.4 million cubic feet in 1992 from 2.7 million cubic feet in

Scientists are turning to methods that do not involve radiation. Companies and hospitals have become will increase the disposal costs as much as fivefold for waste generamuch as fivefold for waste generators in California, New York and Rhode Island. New Hampshire, other equipment for reuse so that it Puerto Rico and the District of does not have to be discarded.

tran has introduced mandatory AIDS testing for foreigners who want to IRNA, monitored in Nicosia, reported.

Six people died from cholera Monday in Lusaka, bringing the death toll



TRANSITION / MONEY MATTERS

Health Care: 2 Approaches

Japan Gets Points for Efficiency, Not Convenience

By James Sterngold

New York Times Service TOKYO - Genji Ito, 70, had to travel 20 minutes by hicycle on a drizzly morning recently to get to the Tobo University Hospital by 7:30, an hour before it officially

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Late In III

But it was still a good day, he noted happily, for his early start had landed him place No. 69 in the hospital's dank waiting room. which meant that it would take only until noon to see the doctor about his heart condition and get his medication.

This system is my savior," said Mr. Ito, sitting with about 100 others who filled the rows of vinyl-covered benches because Japanese physicians generally make no ap-pointments. Despite the wait and the briefness of the visits, he pays just 900 year (\$7.25) a month for his eatment, no matter how many

times he goes.

Japanese like Mr. Ito put up with long waits at crowded clinics and seemingly impersonal treatment from physicians, but in return they enjoy what some describe as the most efficient universal health-inms, but in return they prance system in the world.

The system has produced one of the healthiest societies on earth, while keeping the financial burden on corporations remarkably light. Japanese companies pay about one-lifth of what U.S. concerns do

for employee health insurance. But the 30-year-old system is facing a challenge that threatens this success - the rapid growth in the numbers of retirees healthy enough to pedal a bicycle to the hospital but old enough to need much expercent from 12 percent now, within 30 years. As a result, the portion of total medical costs for the aged is projected to rise from 17.8 percent in 1980 to 37 percent in 2000 and 41 percent in 2010.

In the past, the system has been so lucrative that government-controlled health insurers once used their surpluses to build resorts overseas. Today, these insurers, reflecting the kind of cost pressures seen in other countries, are prepar-ing to slash \$320 million from the budgets of 247 government-owned bospitals and clinics over the next five years. They plan to close 74 other medical facilities and merge

Doctors are bracing for righter fee controls and the possible loss of major profits from selling the medication they prescribe.

But perhaps the most important lesson is in the Japanese approach to solving the cost problem. In all the study councils and debates taking place here, one bedrock assumption is not being questioned
— that the hurden of supporting
these soaring medical costs should not fall on corporations. Nearly ev-eryone is calling for the govern-ment, and hence the taxpayer, to foot the bill.

The increase in costs is unavoidable and we know that," said Tetsuo Yagi, a former deputy min-ister of health and welfare and now vice president of the National Federation of Health Insurance Societies, a trade group. "The issue is how to balance the burden. We know that if we go beyond a certain

or older is expected to double, to 25 what we agree we have to avoid. The government has to bear this burden, and I think it will."

This kind of choice reflects a side of Japan's economic strength that is often overlooked. Foreigners focus on the technological prowess of Japanese auto makers, computerchip producers and consumer-electronics giants. But one of the secrets of Japan's industrial might is that the social welfare system deliv-ers an impressive level of services to all, while costing taxpayers and corporations relatively little.

The Japanese system has lots of trade-offs," said Daniel I. Oki-moto, a professor at the Asia-Pacific Research Center at Stanford University, who is studying Japa-nese health care, "but on balance, if your objective is to control costs, it works. That is a competitive strength."

Many non-Japanese would reject some of these trade-offs as cumbersome, impersonal or too restrictive. The complaints bere focus on crowded, factory-like facilities and doctors' heavy over-prescription of drugs as a way of increasing their What also makes the Japanese

health-care system work more efficiently is the absence of a large impoverished underclass in Japan, a diet that is generally healthier than those of Westerners and the almost total absence of malpractice Overall, Japanese will spend

21,68 trillion yen (\$175 billion) on health care this year. That is 6.8

A Growing Demand By Older Japanese in the same of the The state of the s

required to tell patients if they are

suffering from cancer. The patient,

a nurse, had rejected surgery be-cause her doctor said she had gall-

stones, rather than cancer. Her

family sued, saying that if she had

been correctly informed, she would

have made a different decision and

tice inside a hospital, he or she may

choose to complete a patient's treatment, both for financial rea-

sons and to maintain a relationship

with the patient during treatment.

check through government control over the purchase of big-ticket

medical equipment. The govern-ment decides, for instance, how

many CAT scanners each region

needs, and forbids doctors to buy

health-care costs in Germany is a linkage between increases in costs

and wages. Health spending is not

permitted to rise fasier than work-

ers' carnings. least, they
But even in Germany, keeping incressary."

The other primary check on

more than that number.

Health costs are also kept in

physician is not permitted to prac- costs down is a constant struggle

the full details of a diagnosis. · No matter what the disorder, patients receive extraordinary numbers of injections and pills, making the Japanese the largest consumers of drugs, per person, in the world. Patients taking experimental drugs are not told in some cases that they are participating in trials. Doctors frequently remove labels from routine prescription drugs.

Hospital stays are measured m weeks rather than days. Dr. Teruo Hirose, a heart surgeon who has practiced both in Japan and the United States and has just written a book comparing the two systems, says the average hospital stay here is 39 days, compared with 5.8 in the United States.

Doctors tend to encourage long ed States are 12.8 percent of GNP. hospital stays to increase fees through greater volume of business. But the cost per day is rela-To be a patient here is to be told surprisingly little about diagnoses. the kinds of treatment being used or the drugs administered. Doctors tively modest, which keeps the overall cost of the system low.

are not accustomed to hearing questions and give almost no infor-The centerniece of the Japanese health-insurance system is a thick green-and-white paperback book issued by the Health and Welfare mation. In this regard, some Japanese doctors say their system stands roughly where the American system did 25 years ago. Ministry, which lists what doctors can charge for every approved For instance, in a landmark case treatment. several years ago, Japan's Supreme Court ruled that doctors are not

There is almost no flexibility. An experienced specialist in a demanding area of medicine would be paid the same for an exam as a newly minted general practitioner. There is no differentiation for levels of skill or expertise, or to reflect regional differences in costs. An appendectomy, for instance, costs \$388 whether it is performed in percent of the gross national prod-ber life could have been saved. The downtown Tokyo or in rural areas uct; total medical costs in the Unit-court rejected the argument on the of the northern island of Hokkaido.

between regulators and physicians

trying to pay for yet another vaca-tion in the Far East.

doing too many sonograms during pregnancies, because they got paid for each time they turned on the machine," Mrs. Bernardi said. "So

we set a rule - two sonograms per

pregnancy. Then the doctors realized they could get away with doing

seven sonograms by calling virtual-ly all pregnancies 'high-tisk.' So

now the insurers have new rules;

They will pay one lump sum for all sonograms in a pregnancy, based on an average of three. We one-

upped the doctors, and, for now at

least, they bave to do only what is

"We had a problem with doctors

Expediting the Confirmations

WASHINGTON - The Senate Democratic leader, George J. Mitchell of Maine, offering Mr. Cliaton the same courtesy he offered Mr. Bush four years ago, said the Senate would meet in January for confirmation hearings and votes on cabinet members if the new president was prepared to submit names by then.

Getting several thousand top political appoin-tees through FBI clearance and confirmed by the Senate, even when the Senate is controlled by the incumbent's party, is still a logistical nightmare.

The process of filling the top Senate-confirmed posts can take months, but Republicans who went through it the last two times say Mr. Clinton has a major advantage: the likelihood that Democrats will not be poised to leap on anything his nominees do before they are confirmed.



Mr. Bush, in southern Texas for bird hunting, sported a black eye he received Christmas Day while throwing snowballs with a granddaughter.

For Clinton, Self-Improvement

LITTLE ROCK, Arkansas - President-elect Bill Clinton will spend much of this week on his version of a husman's holiday: several days of seclusion with a thousand or so friends, talking As they have done for the last eight years. Mr. Clinton, his wife, Hillary, and their daughter, Chelsea, will attend a four-day retreat at a resort on the South Carolina island of Hilton Head. The retreat combines tennis, golf and other recreational activities with group and panel discussions on a wide array of topics in the areas of public policy,

spirituality and self-improvement, The informal discussions at Hilton Head will be private, covered by rules that put the discussions off the record for participating journalists, for instance the columnists Edwin Yoder and Art Buchwald. The idea, say participants, is to encourage a level of candid, intimate talk that forges bonds.

The guest list includes such notables as Governor Evan Bayh of Indiana: Justice Harry A. Blackmun of the Supreme Court; Peggy Noonan, the former speechwriter for Presidents Ronald Reagan and George Bush: Theodore C. Sorensen, special counsel to President John F. Kennedy, and Admiral Elmo R. Zumwalt Jr., the former chief of naval

A Nominee Gets Just Deserts

MINNEAPOLIS - The day after Mr. Clinton selected Hazel R. O'Leary as secretary of energy. she was back in her fifth-floor office at a utility company here talking with Kris Sanda, Minneso-ta's public service commissioner. "I told Hazel that she really deserves the job,"

recalled Mr. Sanda, a Republican who has sometimes differed with Mrs. O'Leary. "Sbe said: 'Kris, you're the only one who has said that to me so far.'"

Those who have worked with Mrs. O'Leary, who is now executive vice president of Northern States Power Co., said that she will bring to the job openmindedness, keen intellect, sure judgment and experience both as a regulator and as someone who

has been regulated. "She promises to be one of the most surprising people in the cabinet," said Robert W. Craig, resident of the Keystone Center, a Colorado research organization specializing in energy and

environmental issues.

Were Asian-Americans Left Out?

WASHINGTON - While Mr. Clinton deplored "bean counting" of his cahinet appointments by sex and race, some wondered why there was not more of it. In particular, some Asian-Americans lamented that only one member of their group had even been mentioned as a contender for a top job. That was Representative Patsy Mink. Democrat of Hawaii, a Japanese-American whose name surfaced briefly as a candidate for secretary

"I know the Asian community has sent in many names," said Mrs. Mink. "After all, even Bush had Pat Saiki as head of the Small Business Administration." Representative Robert T. Matsui, Democrat of California, a Japanese-American, said he expected several Asian-Americans to fill subcahinet positions or become agency chiefs, Mr. Matsui's wife, Doris, is on the transition team. (AP)

First Spouse and the Name Game

WASHINGTON — Hillary Clinton has let it be known that she prefers to use her maiden name, Rodham, on her stationery and for other official functions. In a harhinger of things to come, perhaps, a phone directory for the Presidential Transi-tion Office does not list her under "C" for Clinton, but under "R" for Rodham-Clinton. When Mr. Clinton became governor of Arkansas, his wife was known as Hillary Rodham, She later used Clinton. Inside the transition operation, she is known as (LAT)

Quote-Unquote:

Mr. Clinton, in an interview as Time magazine's "Man of the Year," was asked whom he would want in the room with him when he made the really big decisions." His answer. "Hillary." She . 1.

In Eden-Like German System, Many See a Snake

By Marc Fisher

diagram Post Service BONN - Everyone is insured. health care is widely recognized as excellent and no one ever sees a doctor's hill. There are no tangled arguments with dreaded hospital administrators, no trickery about "pre-existing conditions" or "usual and prevailing charges."

No wonder President-elect Bill Clinton and his health-care advisers sing the praises of Germany's insurance system. Unlike other much-ballyhooed national bealth programs. Germany's approach to health boasts much of what Americans say they want: private physicians, job-based insurance and no bloated federal bureaucracy.

On its face the German method can seem a marvel. Virtually every German has unlimited coverage. The unemployed are covered by their local government labor office. Patients pay only their own premior hospitals. Patients don't even find out how much their treatments cost. Many insurers even throw in an occasional free stay at a spa.

There is no pressure to leave the hospital early, settle for a less exhaustive treatment or search for a cheaper physician. On the contrary, hospitals - which are paid per day, not per treatment - encourage long, leisurely hospital stays. Germans rounnely check into the hospital for 10 days for a normal birth or four days for a simple biopsy that is a one-hour outpatient procedure in the United

Yet the Germans manage to provide all this care at about half the per capita cost of treatment in the United States. Health care accounts for about 8 percent of Germany's gross national product, admirably less than the stillballooning 12.8 percent in the

Germany's health system is governed neither by the market nor by government fiat, but by a typically ally smooth talks among federal and state officials, insurance providers and associations of doctors and other health workers.

The 109-year-old system, established when Chancellor Otto von Bismarck set up health insurance funds for several occupations, is a source of pride for many Germans.

An American patient who complained to a Bonn hospital executive about being required to stay in the hospital for three days for a

routine prenatal screening test that is performed on an outpatient basis in the United States received this in the United States received this derisive retort; "We care about your bealth, not just about money. We don't push you out the door to make room for another patient. If you want to be treated like that, go back to the United States."

But in the world of health care, there is no Eden. Not only are there structural problems with the German system, but just as Mr. Clin-ton is holding up the Germans as a model, Bonn is busy working out another in a seemingly endless series of thorough reforms of the sys-

"All Western health systems are now in crisis," said Brigitte Bernardi of the German Health Minis-

Doctors, hospitals and publicly funded insurers work together in this success story.

try. "We have more critics at home than we do abroad, and at least domestically there is a sense that we need drastic reforms."

Among the downsides to the German system: Employee contributions to insurance premiums seem high by U.S. standards; premiums are an average of 13 percent of income, with costs split evenly between employer and employee. And although the German sys-

tem is far more egalitarian than its U.S. counterpart, it too distributes care according to income. The 10 percent of Germans at the top of the income scale may opt out of the public health system and choose to be uninsured or to huy private insurance. Private premiums are a hit more expensive, and doctors get higher fees from private insurers, so these patients are a privileged class. They can waltz into a hospital, get a coveted single room and count on being whisked ahead of the waiting masses and into the office of the chief doctor.

the German system, however, is and even send a midwife to a new that despite its many successes, it mother's home daily to offer advice has proved susceptible to the same and help.

disease that afflicts others health Hospital costs are controlled by disease that afflicts others' health care - the numbers aren't adding

As Germany's population ages, ral to be allowed into a hospital, so the demand for health care is soaring. But the German system has no routine matters. Because a private

sound familiar to most Americans: higher contributions from the average worker, and a partial adoption of the U.S. system of capping hospital costs by prescribing specific reatments for each illness.

Earlier this month, parliament approved the latest in a series of changes designed to get tough on rising costs. Patients will have to pay higher premiums, and their contribution toward prescription drug purchases will jump from about \$2 to more than \$3.

But the brunt of the cuts will be borne by doctors, the drug industry and pharmacists. Drug prices will be cut 5 percent next year, and the health system will save \$5.6 billion by eating away at the fees carned by doctors, dentists and hospitals. German physicians, who earn the highest incomes in the world after their U.S. colleagues, will face a 4

creases. And later this decade, Germany plans to move even further toward a more U.S.-style system, introducng competition among its publicly funded, nonprofit insurance funds.

The German system's "cost-containment success makes it initially attractive as a model," concluded a study in the journal Healthcare Financial Management carlier this year. But the study urged the U.S. Congress to look long and hard at the potential long-term financial instability of the German system."

Despite Germany's troubles, the system remains a model for U.S. Senate Democrats and Clinton planners, who like the idea of the federal government's setting spending limits, but leaving it to the medical community and insurers to negotiate among themselves

how to meet the restrictions. In a country with far greater expectations of social welfare assistance from government, the restrictions imposed by the German bealth system raise few of the obiections that would instantly arise in the United States.

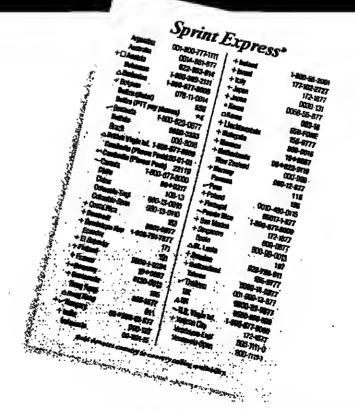
Germany keeps costs down in a variety of ways. There is a heavy hief doctor.

emphasis on preventive medicine.

The most important drawback to Insurers pay for "well-baby care"

> tightly restricting access to hospital care. Patients need a doctor's refer-

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a access charge from all phones. O From pay chones, push red button, well for tone, then dial 02-s. - Eastern portion may require special code. Cell local opers

Away From Politics

A gang stole at least S8 million from an armored-car service's house and garage after overpowering a guard at the building in New York, the police said. The armed gang of four to six men escaped. The guard was not hurt.

Plans to launch a noostop around-the-world balloon flight suffered a setback when winds gusting up to 50 miles per hour leveled the inflatable dome housing the craft near Reno, Nevada, for the second time in six weeks. The hourglass-shaped craft, about 100 yards high, was not damaged.

• The Kn Klux Klan put up a steel reinforced wooden cross on a public square in Cincinnati, where protesters had knocked down crosses three times earlier, but the latest cross has been knockeddown, too, the police said. Three people were arrested on charges of disorderly conduct for the latest attack. The white supremacist group's permit to erect a cross expires Wednesday.

At least two people were hospitalized after using a spray for protecting leather, with a petroleum distillate instead of chlorofluorocarbons as a propellant. Forty-one others complained of coughing and shortness of hreath after using the new 5-ounce can of the product, Wilsons Leather Protector. The incidents were reported in Oregon, Colorado. Washington state and California.

A man with a pistol and a rifle walked into a bar in northern Minnesota, wounded two patrons inside and killed two outside before be was slain by a sheriff's deputy. A spokesman for the sheriff's department said a "domestic situation" apparently had prompted rampage by a 42-year-old officer of the Bureau of Indian



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Somali Killed 100 as U.S. Troops Landed

By Jane Perlez New York Times Service

KISMAYU, Somalia - In a last-minute move to consolidate his power before U.S. troops arrived in Somalia, the warlord in this port city rounded up more than 100 of the best-educated members of an opposing clan and had them shot. Somalis and U.S. diplomats say.

Religious leaders, businessmen, a doctor and other prominent members of the Harti clan were hunted door-to-door in a night of terror on Dec. 8, the evening before American troops landed in Mogadishu. Somalis who witnessed the operation said.

Amid wild shooting, members of the Harti clan were pulled from their homes by young men loyal to the warlord, Colonel Omer Jess, a member of the Ogadeni clan, and killed on the edge of town, the

The timing and circumstances of the killings here, which went on in a concentrated fashion for three nights and Somalis say still appear to be occurring sporadically. showed bow treacherous is the terrain of clan politics faced by Amer-

Americans, used the coming of Western forces as an excuse to eliminate educated local people whom the Americans might find more attractive allies. The colonel, who captured Kismayu in May, is viewed as an occupying force by

the Hartis, who have much deeper

The American-led intervention in Somalia has repeatedly been described by Washington as limited in scope: to secure routes for the delivery of humanitarian assistance. But in the nearly three weeks since the Americans landed, it has become clear that because so many of the hungry died in the preceding months, emergency food is perhaps a less critical issue than outlined in the original concept of the opera-

Just as important now, say Western diplomats, aid workers and Somalis, is the need for political reconciliation and a weapon-free environment that would allow Somali society in return to some semblance of normality.

Just before the Americans landed at Mogadishu, Cnlonel Jess called a rally of his supporters in

The challenge:

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air traffic control for as long as

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there's been air traffic to control.

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veloping and producing automated, large-screen consoles

Administration's new Advanced Automation System, de-

TO KEEP 190,000 AIRCRAFT OUT OF

EACH OTHER'S AIRSPACE.

that Colonel Jess, who has since had to be "cleared" of people who Washington could take against the tried to ingratiate himself with the would cause problems with the colonel. U.S. troops, a member of the colonel's central committee said,

This was the go-ahead, the committee member said, for the killhad conducted the operation in collusion with his main ally, the more prominent warlord of Mogadishu, General Mohammed Farrah Aidid, who is of the Hawiye elac.

The general briefly visited Kismayn on Dec. 6, two days before the start of the killings.

Eleven days after the first night of killings. Colonel Jess warmly welcomed President George Bush's special envoy to Somalia, Ambassador Robert B. Oakley. The ambassador came here Dec. 19, 10 days after the landing in Mogadishn and the day before the American troops arrived in Kismayu.

Mr. Oakley said in an interview Saturday that be believed more than 100 had been killed in Colonel Jess's operation. The ambassador said be bad told the colonel that we knew exactly what went on

and we wan't forget it." But the envoy suggested that Kismayu and said that the town there were limited specific actions

Mr. Oakley said the United Nations Security Council resolution authorizing the military intervention in Somalia made no provisions ings. The committee member said it for the Irial in the international was "obvious" that Colonel Jess arena of people charged with war

> "The legal situation is very clear," said Mr. Oakley of the United States position. "We are not an occupying power, we have no power of arrest. There is nothing in the Security Council resolution about war crimes as there is with Bosnia."

A Western diplomat acknowledged that by dealing with so-called authorities like Colonel Jess, the American-led intervention ran the risk of formalizing illegitimate regional authorities. "Kismayu is a political problem, not a humanitarian problem." said the diplomat.

Instead of taking direct action against Colonel Jess, Mr. Oakley said attempts would be made to isolate him by encouraging traditional leaders to participate in newty formed town committees.

The U.S. troops, joined by Belgians here, made their first moves against Colonel Jess on Munday by surrounding a compound where he keeps a number of armed vehicles.

Quayle Center Would House Memorabilia

The Associated Press

HUNTINGTON, Indiana - The Dan Quayle Commemorative Foundation wants to open the nation's first vice presidential museum, displayng items including Mr. Quayle's Little League uniform and his Indiana University law degree, chewed by a

family dog.
The foundation wants to house the Quayle Center and Museum in a former church and open it in May.

"We're talking about Dan Quayle's life, his family, his political career, the fact that this is history in the making for the state of Indiana," said the foundation spokesman, David A. Schenkel, "We're documenting as much as we can, while we can, for future gener-

ations to enjoy."

The group has displayed memorabilia on the 44th vice president for two years at the Huntington City-Township Library and Huntington Col-

IRAQ: Warplanes Sent

(Continued from page 1) France to protect Shiite Muslims Flights by Iraqi helicopters and planes are prohibited there.

Meanwhile, the Kitty Hawk aircraft carrier is steaming from the coast of Somalia to the Gulf, carrying other navy planes. The air force has sent additional KC-10 planes to Saudi Arabia to help refuel the patrols and planes that monitor communications.

The American action was taken as the United Nations reached an agreement with Bagbdad that would allow the resumption of deliveries of relief supplies to the Kurds in northern Iraq. Those shipments were suspended when Iraq began pulling UN drivers from the relief trucks and blowing up the vehicles.

Jan Eliasson, the UN undersecretary-general for humanitarian assistance, said in an interview that he had reached an agreement with Nizar Hamdoon, Baghdad's ambassador to the United Nations. that the truck shipments would be accompanied by armed UN

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BOSNIA: Closer to Intervention

Yugoslav Army, diplomats said

risk of trouble being fomented in

neighboring Kosovo, Mr. Bush also

threatened military action against

Serbia itself as well as against Ser-

bians in Kosovo if Belgrade wid-

ened the conflict to that ethnically

In a separate move, Mr. Butros

Ghalí put Yugoslav leaders on no-

tice Monday that "foreign armies

may intervene in Bosnia's war." ac-

cording to a spokesman for the

Belgrade government. Mr. Butros

UN resolution authorizing the use

UN officials quoted Foreign Minister Andrei V. Kozyrev of

disarmament meeting with Secre-

tary of State Lawrence S. Eagle-

burger - as saying that Moscow

faces mounting domestic pressure

Looking beyond Bosnia to the

Monday.

mixed province.

of military force.

atian and Serbian leaders Monday in Geneva, will fly to Sarajevo for in writing to President Slobodan talks in the besieged Bosnian capi-Milosevic of Serbia and General Zivota Panic, commander of the

To press French views prior to his trip, Mr. Dumas will travel to Geneva this week for talks. But Mr. Butros Ghali has already rejected a French suggestion that he control any UN military intervention, saythat it should be left up to military commanders to decide ou!

any escalation. The French government's views have toughened in response to increasingly strident calls within-France for urgent action, including. warnings from within the governing Socialist Party that Europe will be politically discredited if it fails to keep pace with Washington on this issue

Ghali, backing the UN mediators working on a diplomatic solution, ■ Serbian Proposal has sought until now to postpone a

The leader of Bosnia's Serbs, Radovan Karadzic, has suggested that UN monitors be placed aboard Bosnian-Serb aircraft, The Associ-Russia — who is in Geneva for a ated Press reported from London. In a letter to Prime Minister-Juhn Major, the current president of the European Community, Mr. Karadzic said that would "avoid to support the Serbs as fellow Slavs unnecessary escalation of the Bosand stop supporting U.S. calls for nia conflict over the issue of no-fly outside intervention against Belports by UN monitors given 24-In a bid for a political break-hour access to flights would show through this week, Mr. Butros whether the aircraft were violating Ghali, who conferred with Cro- the UN-ordered exclusion zone.

SOMALIA: Warlords Vow Unity

(Continued from page 1)

between warring clan factions. But the violence that swirled around their appearance only served to highlight the extent of the lawlessness that has rampaged unchecked throughout the city, three weeks after U.S. troops first landed in Somalia to belp restore order and deliver relief aid to the starving.

The warfords, General Mohammed Farrah Aidid and the selfdeclared interim president. Mohammed Ali Mahdi, bave been considered the two men most responsible for the destruction Mogadishu; their duel for power resulted in a three-month artillery barrage that left up to 30,000 civil-ians dead:

Bringing the two men together has long been seen as an important first step in resolving the problem of the collapse of central govern-ment authority in the capital and violent anarchy in the countryside. Since the arrival of U.S.-led

forces, bowever, General Aidid and Mr. Ali Mahdi appear to bave lost much of their power and relevance, Their young militiamen have withdrawn without a fight from areas where the U.S. troops have moved in and, as Monday's violence showed, the once-powerful warlords appear incapable of exer-

cising control over the hordes of

free-lance bandits and gunmen opcrating in the capital. Some relief workers have suggested that the arrival of the U.S. forces has created a power vacuum newed lawlessness. At the same time, the U.S. troops insist that their job is to protect relief aid to starving people, not to act as a

In the incident involving the Vis-news crew, U.S. forces only got involved after the fleeing robbers opened fire on their position.

Then the bandits were chased on foot by four American soldiers down narrow side streets and past Somalis screaming and ducking for cover. The troops shot and killed one assailant and then decided it as too dangerous to continue the

chase in the warren of huts and kiosks, said a Marine spokesman,

Colonel Fred Peck.

will be done.

On the other hand, other reporters - including a CNN television. crew - said that when they were attacked by armed bandits and ran to American soldiers for help, the troops refused to intervene.

The ambivalence over the U.S. military role also extends to the difficult question of disarmament. Relief groups. United Nations are asking the American troops to disarm the militiamen and bandits. But U.S. military officials have given what many say have been confusing signals about whether this

When they first arrived, U.S. troops set up checkpoints and aggressively searched cars for any weapons. After the first day, however, U.S. officials said that small arms would be allowed, and only, heavy weapons would be confiscat-On Monday, the military

launched a more aggressive campaign, still stopping short of fully disarming the population but spelling out new restrictions on what types of weapons will be allowed. Belet Uen Is Taken Helicopter-borne American and Canadian troops swept into the

town of Belet Uen just after dawn

Monday, securing the last point designated by the UN forces in Somalia as a bub for food distribution. The Associated Press reported rom Belet Uen. The soldiers encountered no resistance as the helicopters landed at a dusty gravel airstrip lined with

bundreds of townspeople. Colonel Serge Labbe, commander of all Canadian forces in Somalia, said his soldiers would begin escorting food convoys immediately and would guard the distribution points to ensure no food was sto-

The commander of the force. Lieutenant Colonel Carol Mathicu, said his troops would react quickly to any threat and would disarm Somali gunmen.

CLINTON: Lobbyists Are Forever

(Continued from page 1)

They know the pressure groups well enough to disarm them, the bureaucracy well enough to grid-

manager of the Washington office of the lobbying giant Hill and Knowlton, whose clients span most of corporate America.

science professor at American University. "It's impossible to get somebody who knows government and is well-connected but who doesn't have some connection to previous clients. Former President Jimmy Carter

paid a high price for bypassing Washington insiders in assembling and running his administration. The "Georgia malia" was so unfamiliar with the capital's folkways that it affronted congressional leaders in the first days of office and, according to the Carter press secretary, Jody Powell, may have caused a lot of unnecessary "pain and screaming, moaning and ilail-

with Democrats exiled from the 12 years, Mr. Clinton has had few places from which to hire experienced hands. Opportunities for Democrats to work in public policy were limited once Republicans seized power, especially when they controlled the Senate in the early to

One thing the political refugees could do was lobby party members

Capitol Hill is the other reservoir

administration in large part with

on any issue and how to sway it.

No administration can get things done without people like Mr. Paster, who won his lobbying spurs over the past 25 years by working for members of Congress and organized labor, and most recently as manager of the Myching spursors.

"You don't want a government made up of clerics and academics," said James A. Thurber, a political

mid-1980s.

in Congress, and many joined firms or founded their own.

of Democratic veterans. And Mr. Clinton has tapped a number of congressional incumbents for top jobs. But Theodore Lowi, professor of government at Cornell University, said Mr. Clinton should have expanded his talent search there,

Hill veterans "He should be recognizing it's

the electoral process that got him there," said Mr. Lowi. "He's going to turn to something for help, it should be other elected officials. not the interest groups. We know where the money came from, but the authorization came from the Other analysts see nothing

wrong with the appointment of lobbyists as long as they sever corporate ties, much as lawyers do when they become judges. The general principle is not to disqualify competent people just because they bad served as an ad-

vocate for some private inter said Michael Josephson, a California ethics consultant. Mr. Clinton has moved to limit future gain from office by banning post-government lobbying by top

administration officials for five years - which, Mr. Waldman said. will change their behavior in office. Mr. Josephson nrged "skepticism and cautinn" in selecting transition advisers bul added. "You can't constantly eliminate people on the assumption they can't act in

good faith." None of the lobbyists named to the cabinet or transition has been known to cross the ethical line, Indeed, before Mr. Paster left Hill and Knowlton, he wrote a memorandum proclaiming a new politi-cal order in which "what you know" is more important than "who you know."

Driver Killed, 2 Injured As Danish Train Derails

COPENHAGEN — A night train carrying 87 people derniled near Copenhagen on Monday, killing the driver and slightly injuring

two passengers, the police said.
They said the accident occurred as the train was approaching a sta-tion at Roskilde, 30 kilometers west of the Danish capital. The cause of the crash was not immediately

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On Election Eve, Many Say the Kenya Vote Is Rigged

By Kenneth B. Noble New York Times Service

NAIROBI - Western diplomats, dissidents and human rights activists say that the campaign for Kenya's first multiparty elections io 26 years has been marred by across-the-board cheating and that the electoral system is skewed to benefit the government of Daniel arap Moi.

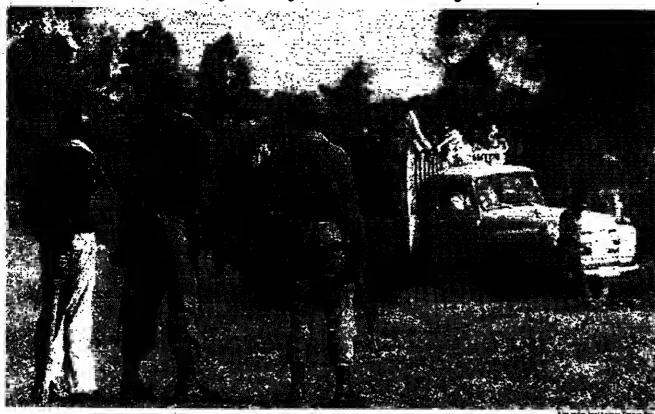
The president has promised that the election Tuesday will herald a return to a democratic party system, unknown here since the early

But critics say the voting will be But critics say the voting will be a charade intended to perpetuate Mr. Moi's increasingly authorita-ian regime, while showing suffi-cient political pluralism to per-suade Western donors to restore ago, costing Kenya nearly \$360 million.

The government denies charges of rigging saying it is committed to free and fair elections. Mr. Moi has ruled for 14 years. His party is the Kenyan African National Union.

Electoral watchers for opposi-tion parties say their candidates bave been constantly harassed. with permits for rallies either denied or canceled. Critics also say severe limits have been placed on access to the state-controlled television and radio networks.

What is most troubling, Kenyans and Westerners say, is the increasing violence against people living in regions where the opposition is believed to be strong, particularly the Rift Valley. Houses have been



Kenyan troops keeping an eye on a truckload of supporters from the opposition Democratic Party after a raily near Nairobi.

burned and looted, and tens of thousands of people have fled. Electoral fraud, much of it diffi-cult to confirm independently, is accepted as an article of faith by opposition politicians and human rights activists.

election has been rigged and con-tinues to be rigged," said Paul Muite, deputy chairman of the Forum for the Restoration of Democracy, one of the main opposition parties. "I and other members of

point in even participating."

"It is absolutely certain that the my party have been agonizing over The Ministry of Foreign Affairs ection has been rigged and con- whether or not there's still any had declined Germany's offer of more than 30 observers - serting a

og stations," Bernd Mützelburg, the German ambassador, said. Amos Wako, Kenya's attorney general, said the government had refused to allow additional observers from Germany because doing so would breach an agreement reached earlier between the two

countries. The loternational Republican Institute, a team of U.S. observers affiliated with the Republican Party, which receives money from the Agency for International Developmeot, recently issued a report mildly critical of the government's cam-

A youth group associated with the governing party responded with a scathing attack.

"We call on all Kenyans to fight to safeguard their independence."

"Nobody, even the rich and militarily powerful Americans, should

be allowed to boss us around." And a group of observers from Commonwealth oations expressed

concern about reports of violence surrounding the electoral process. It appealed to candidates and parties on both sides to control heir supporters and called for action from law enforcement authori-

The threat of civil disorder is especially striking given Kenya's reputation of relative political ma-

In the 1970s and 1980s, in part Last week, Germany withdrew its observers, saying the government was refusing to allow a thorough examination of the election.

Last week, Germany withdrew ilmit of S.

There will probably be fewer and its strategie position on than 100 international observers. Indian Ocean, Keoya received and there will be over 100,000 poll-large infusions of Western aid. because of its pro-Western outlook and its strategie position on the Indian Ocean, Keoya received

Manila Cultists Go Flat Out Against Evil, and Traffic

MANILA - Religious cultists deflated tires on scores of vehicles Monday, snarling traffic throughout the Philippine capital. At least 32 people were arrested.

Police said the participants were from a cult called the Reserved Manpower of the Good Wisdom for All Nations, which clashed with police in June after its leader, Alelio Bernaldez Pen, a part-time radio commentator, called on the military and police to overthrow the

Officials said the group hired several passenger jeeps, drove to selected areas and, at an appointed time, commandeered vehicles and began deflatiog ures.

Handbills distributed by the cult said the attacks were "God's way of stopping bad deeds," and one follower of the group said the tires

bad to be flattened because "air is from God." The incidents began during the evening rush hour along several major traffic arteries. Motorists on one expressway abandoned their cars and fled as police with rifles chased the cultists after they had let the air out of tires on at least 10 buses and cars.

India Plan for Shrine Assailed on Both Sides

NEW DELHI - Hindus and a mosque and a Hindu temple on a the site.

contested holy site.
Each group elaimed sole rights to the site in the oorthern town of Ayodhya, where Hindu fuodameo-

talists razed a mosque Dec. 6 and erected a makeshift temple. The that killed at least 1,100 people.

vowed Monday to block the gov-Muslims on Monday sharply criti-cized a government plan to end a and other Hindu groups want to sectarian dispute by building both build a temple to the god Rama on

Holy men backing the council warned of a backlash if the government persisted io its plan. Hindu fundamentalists want the government to hand over the site to them. Muslim organizations also condemned New Delhi's efforts to ac-

quire the land in Ayodhya. Prime Minister P.V. Narasimha Rao is "playing with the sentiments of the minority community," said the All India Babri Masjid Rebuilding Committee in a statement. "We are shocked and surprised," said a spokesman for an umbrella organization for Muslim groups

The government has said it will acquire sufficient land in Ayodhya for the two shrines, which will be built by independent trusts. It also said it would ask the Supreme Court to decide whether a Hindu temple ever existed on the site.

A centrist party and two leftist parties criticized the decision, saying that the government had legitimized the razing of the mosque.

On Monday, about 700 activists of the Hindu oationalist Bharatiya Janata Party threw rocks at buses and tried to force their way into the New Delhi offices of the state-run television to protest what they said was partisan coverage of the con-

Meanwhile, bowing to Hindu demands, authorities in Ayodhya allowed the first group of 75 pilgrims to offer prayers at the makeshift

Muslims make up 12 percent of lodia's \$75 million people. Hindus account for 82 percent.

Blacks, Not Army, **Blamed for Violence**

Compiled by Our Staff From Dispatches

JOHANNESBURG - A commission investigating violence in South Africa played down the army's role in the unrest, saying Monday that the main cause was the political rivalry between the

country's two major black groups.

In scathing criticism of the African National Congress and the Inhatha Freedom Party, the panel said that the two groups' rivalry overrode any role the security forces had played in the violence, which has claimed more than 3,000 lives in black communities in

The army's hand in the violence is still to be determined, according to the interim report, but it "remains clear that a primary trigger of

current violence" is the rivalry between Inkatha and the ANG The government set up the commission under Justice Richard Goldstone in 1991 to investigate the causes of political violence, a major obstacle in South Africa's transitioo to conracial democracy. Last month, the panel revealed that the South African Army's military intelligence unit had mounted a dirty tricks campaign against the ANC's armed wing, which included employing a convicted manderer, Ferdi Barnard, last year.

It accused the leaders of the ANC, led by Nelson Mandela, and Inkatha, headed by Chief Mangosuthu Buthelezi, of not doing enough to stop violence and impose discipline among members. (AFP, Renters)

For Some in South Africa, War Is the Sole Solution

By Alan Cowell New York Times Service

SOWETO, South Africa -On a patch of green and perfect lawn that mimicked the greater estates of the rich over the hill, Terence Ser-ero and Mpifa Tshepe took stock of their land the other day and decided that everyone else had gotten it

What is needed, the two 22-yearold college students from the Pan Africanist Congress said, is not talk of peace bot "people's war," an insurgency to end "the colonial. settler regime" so that the new land of Azania, as they call South Africa, might raise the banner of scien-

Such relative belligerence may seem at odds with the nation's move toward barmony and major-ity rule. Yet the sentiments have found an echo among many South African blacks, particularly since members of the Pan Africanist Congress's military wing, the Azanians over the past month.

The killings were condemned by Nelson Mandela's African National Congress and by the white au-thorities. But, Mr. Serero said, the murders "made the people feel de-lighted because they have been dying in great numbers and oow it was happening to European set-

It is not only the two students on the lawn in Soveto — an uousual feature in this gritty township outside Johannesburg — who speak these days of disruption and war.

Eugene Terre Blanche, leader of the neo-Nazi Afrikaner Resistance Movement, seemed to borrow their language recently when he told his followers: "We must reach out to everyone who is white and Christian to join our people's army."

ian People's Liberatioo Army, Blanche told followers oo Dec. 16 killed four whites and wounded as they celebrated the Day of the many others in two attacks on civil- Vow marking the victory of Afrikaners over a Zulu army at the Battle of Blood River in 1838.

Mr. Terre Blanche and the Pan Africanist Congress are diametrically opposed io their aspirations. He and his followers want a white state, Mr. Serero and Mr. Tshepe want to destroy white rule and turn South Africa into a coe-party, Marxist state,

Yet the two groups also have much in common. Both revile the pegotiations between Mr. Mandela and Presideot Frederik W. de Klerk because both, from opposed perspectives, think that the talks are a sellout, and both threaten yet more violence to oppose the creation of an interim, multiracial

"A nation's borders," said Mr. Terre Blanche, "are drawn in blood There must be no doubt, war is on the battlefield, not in offices or coming to South Africa, Mr. Terre regotiations with the Antichrist."

Perhaps the most significant sim- they operated from different beadilarity, however, lies not so much in the words as in the oumbers. In a land of over 30 million, Mr. Terre Blanche drew 700 followers. The most recent Pan Africanist rally in the so-called bomeland of Lebowa

Neither, thus, is a major political force; but members of both have proven themselves ready to try to back their words with violence. The Pan Africanist movement was formed in 1959 when its leader, Robert Sobukwe, broke with Mr. Mandela's ANC, and it took much credit one year later for organizing a march in the township of Sharpe-ville when blacks sought to hand in their passes - the apartheid document that ruled their lives. The police opened fire on the protesters.

killing 67 of them. Both the Pan Africanist move-ment and the ANC were banned and made lawful again only in 1990. In the intervening period,

quarters in exile. The distinction between the two

touched a central and enduring division in black polities. The Pan Africanist movement, espousiog the ideology of the Ghanaian lead-er Kwame Nkrumah, advocated e idea that blacks alone should fight for their own liberatioo.

These days, in the version of-fered by Mr. Serero and Mr. Tshepe, it is the ANC that has betrayed the black cause because it has abandoned the "armed struggle" while its leaders - living in mansions" - have become perty bourgeoisic

The Pan Africanist movement, which has not disowned either its fliet. own enertillas, the Azanian People's Liberation Army, nor the attacks on "European settlers," is thus depicted as the vanguard of a revolutionary war, fighting uoder a banner — discredited elsewhere on this continent - of Marxist orthodoxy and African nationalism.



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A Year of Basic Instincts on Parade

By William Grimes New York Times Service

EW YORK — Queen Elizabeth called 1992 an "annus horribilis." In plaio old American English, the year was a royal pain. The recession continued to bite hard. So did Dracula. It was a great 12 months for bondage wear, body piercing and sex with ice picks.

The year's top fashion accessor was inspired by a disease, with Hol-lywood and Broadway actors displaying red lapel ribbons to show solidarity with people with AIDS. The year's top toy, a Schwarzeneg-ger-size water gun, turned the old-fashioned squirt gun into a brutal assault weapon that sometimes provoked return fire from actual Uzis.

Sharon Stone, the ice-pick queen, started things off on the right foot. Io posters for the movie
"Basic Instinct," her nails sliced
bloody furrows straight down Michael Douglas's back. Love burts. The signs of guilt were every-where. Evidently, we all behaved much worse in the '80s than anyone imagined. We need to be punished.

We want to be punished. Gianni Versace showed enough leather and restraint straps to subdue Hannibal Lecter.

The New York Post ran a threepart series on the world of domina-trixes and their slaves. The United States is fast becoming a country in which mainstream readers can now be expected to understand the difference between a seven-inch and a nine-inch patent leather heel. There was lots of hardware and

body piercing in Madonna's book "Sex," which was strong on bype but weak on scholarship. The Villare Voice quoted a dominatrix as ridiculing Madonna for not knowing the difference between a dominant and a submissive shoe. The book did have an aggressively pierced binding, though.

Not everyone resorted to clamps and needles to make a point. But the pressure was strong to have serious views on serious, preferably planet-threatening issues and to express them loudly and often.

Sinead O'Connor ran away with top honors, ripping up a photo-graph of the Pope on "Saturday Night Live." The audience was be-fuddled. She later explained that the rip job was a protest against the political power of the Catholie Church.

Less spectacularly, the political-





1992 revisited, clockwise from top left: Versace design; Madonna's see-all book; Sinead O'Connor's protest; Sharon Stone.

sported African-accepted Cross Colours clothing, a baseball cap emblazoned with a large X (in homage to Malcolm X and the Spike Lee movie of the same name). Nike athletic wear trimmed in traditional African kente cloth patterns and a Smith & Hawken canvas jacket with tagua-out buttons (a renewable rain forest crop).

The heavily trafficked two-way street between politics and fashion took a bizarre turn in the presiden-tial election, which cranked up the ly aware, ecologically concerned, tial election, which cranked up the multiculturally empowered citizen. IFN lever all-over again, just when

Oliver Stone had finally shut up. No sooner bad the voters learned to relive the assassination than they around the midriff, two or three kids and interesting personal his-

were asked to go through the 1960 The baby boomers bave grabbed campaign. It was like watching another movie, "JFK: The Prequel." the brass ring of leadership with a certain amount of anxiety over past indiscretions — things that hap-pened in the 60s and may be a little In a drive called Rock the Vote, assorted pop-music figures urged the young viewers of MTV to get to hard to explain to the children. the polls and, uh. make a differ-

Generational anxiety was covertly expressed by Hillary's headband, So, cool. The guy with the sun-glasses and saxophone actually won. Make way for the '60s generaan attempt to send out reassuring, demure signals that might soften her image as a smart ambitious tion, now sporting a spare tire boomer with a genuine career. To

make doubly sure, she baked choc-clate-chip cookies for about a

As the baby-boom generation put on its best Sunday school suit (we swear we're responsible and fully expable of running the country), something retro, funky, down and dirty was happening to Americans in their 20s.

The term is grunge, a potent lashion, music and compre life-style statement involving heavy-feedback guitars, greasy hair and thrift-shop elothing, with spe-cial emphasis on ripped jeans and flannel shirts. The attitude is a limp, glassy-eyed numbness. Pic-ture Neil Young cryogenically pre-served in 1972 and unthawed 20 years later.

The glamour couple of grunge is Kurt Cobain, lead singer and gui-tarist of the rock group Nirvana, and his slatternly fairy-tale bride. Courtney Love of the all-woman band Hole. Their admirers can buy \$700 grungewear from Marc Ja-

The 1970s came back with a happy face, too. Platform shoes, a bit of fashion excess that everyone knew could never be revived, were revived. So were long skirts. "The Brady Bunch" became a very O. K.

pop-culture reference.

The postmodernizing of televisioo continued apace. The Saturday morning schedule became clogged with half-hour informercials in which bouncy pitchmen and venal stars appeared on fake talk-show sets for in-depth discussions of hair products, psychics, vegetable juicers and fat-burning

Alarmingly, some of the pro-grams were more fun to watch than Arsenio Hall's talk show. In the same way, the faux anchors on the Buick commercials looked more authoritative than all of the local news teams in New York.

Fashion, which once dealt in enigmatic silences, suddenly began to speak. When Cindy Crawford wasn't shaking it all over the place for her exercise video, she took to the microphone in "House of Style." her fashion report on MTV. For some Americans, it was all

too much. Fear for the future has brought oo regressive symptoms. In New York, the nightclub reconfigured itself as playpen and play-ground. Marky Mark became the poster child of the baby-teen movement, smiling with sweet innocence in his Calvin Klein underwear from billboards around the United

Urban homeboys began sucking on pacifiers, the next, regressive step in the hip-hop uniform of backward baseball cap and backward, drooping jeans, suggestive of a 5-year-old who got dressed without his mom around to supervise. Madoona's spanking fetish suddenly began to look prescient, as did O'Connor's baby-bald head. Semioticians continue to work overtime interpreting the pacifier as a cultural sign, which is undeni-ably disturbing. Too many signals, too little time.

STYLE MAKERS

New York Times Service

Eileen Fisher swears that it was

"anger at the fashion business" that led her to design clothing in casy, elegant styles as a kind of

EW YORK -- Anger

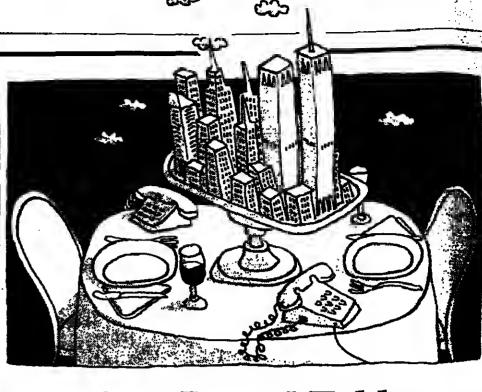
has been used as an ex-

case for many things most of them bad. But

Eileen Fisher

COMFORT SELLS

personal protest.



Royalton Round Table

Beanery of Choice for New York's Fashion Folks

By Georgia Dullea
New York Times Service

EW YORK - In some ways, it is nothing like lunch at the Algonquin Round Table with Dorothy Parker, Robert Benchley and company back in the '20s and early '30s. Lunch in those Prohibition days was booze disguised in tea cups, club sand-wiches and maybe half a pack of Camels. The New Yorker magazine was born at the Algonomin Ho-tel's round table, they say, and it was there that Parker, on hearing of Calvin Coolidge's death, asked, "How can they tell?"

In other ways the lunch scene at the Royalton Hotel, across from the Algonquin on West 44th Street, is every bit as clubby as the old round table. The Royalton has become the beanery of choice, the neous for the elegant editors of the high-profile magazines and Seventh Avenue designers and oth-ers in the fields of fashion, beauty, design and

ers in the helds of tasmon, ocality, usugu and celebrity journalism.
"It's a little younger, cheaper and groovier than Grenouille," said Kal Ruttenstein, Bloomingdale's senior vice president for fashion direction. "It's fun to see who's cating with whom and speculate about who's getting what job. I'd rather watch that than Park Avenue ladies of a certain age."
Granden Carer whose name toos the masthead

Graydon Carter, whose name tops the masthead at Vanity Fair, had a banquette and -could it be? at vanity rair, had a banquette and —could it be?

— yes, a bottle of Beck's beer. That's something you don't see a lot at lunch at the Royalton. Most of the regulars pass up the stuff the Algonquin crowd lapped up. "I wish they'd drink more liquor," said Brian McNally, the British-born impresario of short-lived scene restaurants (150 Wooster, Canal Bar, et al.), who is at it again at the Royalton "There's a hunc poolity recessing on lighter. Royalton. "There's a huge profit margin on liquor.

I encourage them to drink more wine, but they

won't have it?"

Howes leaving on the counting the Pellegrino bartes beside the yellow orchids on the tables. Across the room, a woman raised a glass of red wine

to ber lips. He spotted Carter reaching for the beer bottle and smiled. "Oh, good old-fashioned beer!" Back in the banquette, Carter was talking about l lable. "If there is a modern incarnation of Frank Case, who presided over the Algonquin for many years, it's Brian McNally," he was saying. "The food is great and the place is stylish. You feel like you're on an ocean liner."

That ship is flying the Condé-Nast flag, "Meet you in the Condé-Nast Mess," Bob Colacello of

Vanity Fair tells lunch dates, although the restaurant is called 44. He has been bunking at the Royalton for the last three months and bumping into Sandra Bernhard, celebrity in residence, along with the parade of models, stylists and photogra-

phers that Conde-Nast routinely puts up at the hotel. It's one big slumber party.

Even S. I. Newhouse, a Four Seasons fixture, has been dropping by the canteen from time to time to lunch with Tina Brown of The New Yorker and other star editors.

The Royalton was a Seventh Avenue hangout, though not a lunch scene, long before the invasion of the magazine editors. Fashion designers have been walking the narrow blue-carpeted runway of Philippe Starck's fin de siècle lobby since the refurbished Royalton opened in 1988. But when McNaily and his partner, the chef Geoffrey Zakarian, took over the restaurant last February, the magazine editors began pouring in and the lunch scene came alive.

HE air is filled with British accents. Vogue, Harper's Bazaar, Conde-Nast Traveler, The New Yorker, Details, all have British editors at the top and British editors under them. They must feel at home with Brian McNally, "Believe me," said McNally, who grew up in a working class neighborhood, "they're from a different part of London than I am." Perhaps, but MeNally was a roommate of Anna Wintour in the early '80s when they were both newcomers to New York. And his wife, Anne McNally, is a contributing editor at Vogue, where Wintour is now editor in chief,

Brian takes wonderful care of me," said Wintour, who flies into the restaurant. "I can be in and out in less than a hour." Wintour wastes oo time checking her coat. The minute she flings it onto one of the banquettes, a waiter in black appears with a cup of espresso. A minute later another waiter follows with her meal — usually mashed

potatoes and grilled fish or a hamburger. "Red meat - that's her secret!" a Mademoiselle editor was saying the other day as Wintour bit into her burger. The Mademoiselle editor was also intrigued to see Calvin Klein sipping tea with lemon. Another secret? "No." Klein croaked. "a terrible cold." Shouldn't he be home in bed? No, he said.

barely audibly, he must bave a holiday lunch with his dear friend Nonnie Moore of GQ. Besides, he went on, cating at the Royalton was almost like being bome. "You don't have to dress," he said, plucking at his T-shirt.

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sat led her to design clothing in stress to produce four items that she brought to the New York Fashion and Boutique Show. "I got \$3,000 worth of orders and three months

EDUCATION DIRECTORY

angry about that. And I was angry

Fisher was an interior designer

Finally in 1984, she hired a scam-

looking for comfortable clothes in natural fabrics, with simple lines

that would last year after year.

10 years ago, when I started."

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of clothing," she said. "A shirt, a later I went back and got \$40,000. tie, couple of pairs of jeans — they don't need the latest shape. I'm Judging from the rapid growth of four stores she owns (three in Manbattan and one in Chicago).

Judging from the rapid growth of her company, Eileen Fisher Inc., many women agree. But Fisher said it was not until she hired a new vice president for sales. Ann Kaspar, last year that she was able to hold the interest of the department store chains. "She's chiefly responsible for making them take notice," said the 42-year-old Fisher, whose clothes can now be found in Saks Fifth Avenue, Nordstrom's and

eiman-Marcus. Before, the store would be excited about the clothes, but they wouldn't write any orders," Fisher said. "Ann sits down with them and

says, "We're going to work with you'
— and all of a sudden the lights
went on and they were interested." Today, Fisher's original four

items — a vest, boxy top, sleeveless blouse and flowing cropped pants — and similar, easy to wear (and wash) coordinates can be found in 2,000 retail stores across the United States. Her company reported net sales of more than \$7 million in 1991 and projects at least \$10 mil-lion for this year.

Much of that will come from the

'Anger at the fashion business' led her to design

clothing.

In her warehouse and office in

irvington, New York, overlooking

the Tappan Zee Bridge. Fisher is surrounded by colorful swatches of yarn and cloth and a crayon draw-ing by her 3-year-old son, Zachary.

She said much of her company's success came from the changing fashion attitudes of working women. "They don't want to buy that trendy stuff anymore." she' said. "The shopping, the fussiness, thinking: 'Does this go with this?' Time is so precious."

As far as her own company goes, she said: "We do a lot of brainstorming now, things are growing so fast. But we like it to be relaxed.

M. P. Dunleavey

WHEN IN LONDON WHY NOT VISIT THE ESCADA BOUTIQUE

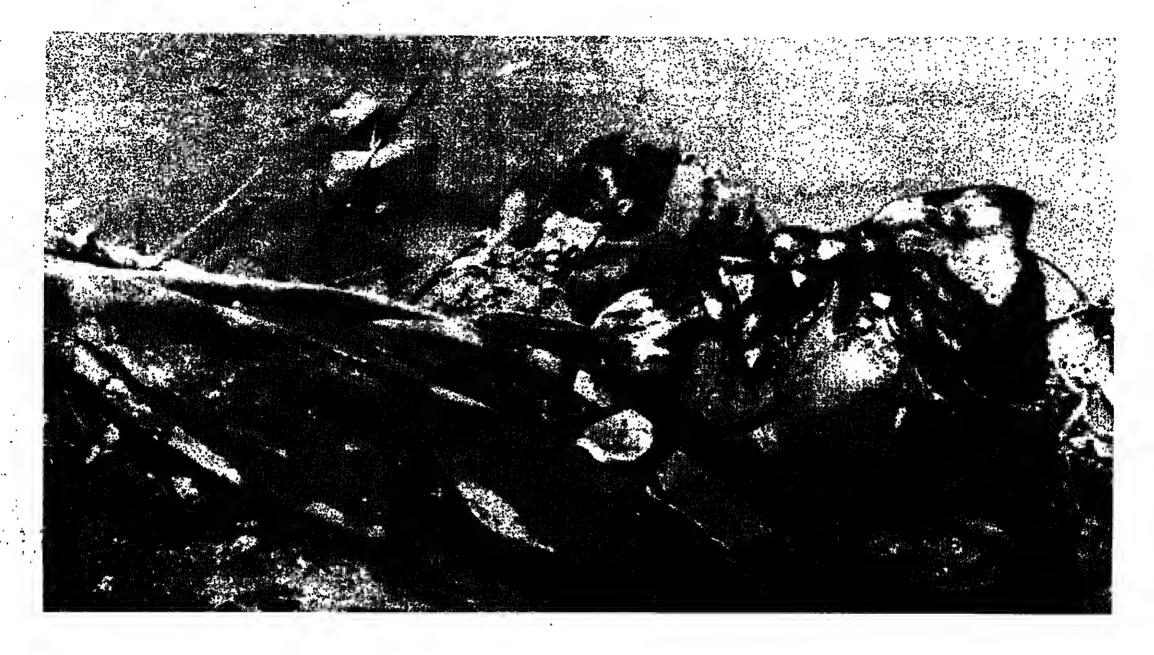
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from the consequences of his repeated false statements that he was out of the Iran-contra lonp.

The pardons have about there, in fact, the distorting, self-justifying air of Richard Nixon. They remind us that Mr. Bush was a creature of Mr. Nixon's, his appointed to various

jobs, a defender of Mr. Nixon to the ast moment of Watergate.
George Bush bad boped to go out in these last days, and in bistory, as a man of honor. The pardons, and the

The New York Times.

spondent based in Cyprus, specializes in the Middle East and East Mediterreason he gave for them, end that ranean. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Gladstone at 83

LONDON — This [Dec. 29] is Mr. Gladstone's eighty-third hirthday. That at such a great age he should still be Prime Minister of the United now Communist-ruled Yugoslavia. Kingdom is a unique fact in Parlia-mentary history, though several of his exceptionally long lived. Mr. Gladstone is not only Prime Minister, but he has a record of some sixty years of public life, having made his maiden speech in the House of Commons in presenting a petition for the abohale and vigorous, with a most re-

markable capacity for work.

LONDON - The "Daily Express" publishes what it declares to be an outline of the view held in high political circles in this country concerning the German peace terms. It says:

good for the country. That was George Bush's principal rationale for pardoning six men involved in the Iran-contra affair. They were motivated by "patriotism." Mr. Bush said. So it did not matter that what they did conflicted with judgments reached through the American constitutional process and written into law. It did not matter that they covered up their actions by lies. Compassion for Caspar Weinberger would have been an acceptable basis for a pardon. But Mr. Bush deliberately broadened the ground to

Discharge:

Dishonor

For Bush

By Anthony Lewis

B OSTON - Government officials may violate the law whenever

they believe that their actions are.

one that menaces the institutions of a country whose political system is founded on law.

Mr. Bush's reason is the more troubling because the underlying governmental wrongdoing, Iran-contra, was so serious. It was a calculated assault on the constitutional balance of now.

er, far worse than Watergate's coverup of a political burglary. In 1985 and 1986 President Ronald Reagan approved the sale of arms to Iran as a trade, it was hoped, for American hostages. The sales violated the Arms Export Control Act, which forbade arms sales to countries

tial power in foreign policy, above the law, They marked, I think, the

boldest attempt in America's history to establish in the White House the

Royal Prerogative exercised by King

Critics of the prosecutions brought

by the independent counsel Law-rence E. Walsh say the proper remedy for all this was to impeach President Reagan, not to go after his subordi-nates. The difficulty with that argu-ment is that Mr. Reagan and his subordinates carried out their illegal-title in partet. It is band for Congress.

ities in secret. It is hard for Congress

to consider impeachment when the damning facts have been concealed, and the subordinates lie about them

when questioned. In Watergate, the

impeachment process pushed Richard Nixon to resign only after special

The personality of Ronald Reagan

also made corrective action difficult in

the case of Iran-contra. Members of

Congress, and of the public, liked him

They felt in him none of the maleyo-

lence that attached to Mr. Nixon. And

many wondered whether Mr. Reagan

really understood what he was doing.

Without great public outrage over the Iran-contra affair, Mr. Walsh was

subject to partisan attack. His work

was also hobbled by the Justice De-

partment, which repeatedly raised

duhious claims of secrecy to deny him evidence. And the Court of Ap-

peals for the District of Columbia.

dominated by Reagan and Bush ap-

pointees, made extreme interpreta-

tions of the law to throw out convic-

out recourse to undo the Iran-contra

cover-up. But he still has one power

and duty: to write a final report laying out what he knows about the cover-up

- and George's Bush's role in it.

The pardons leave Mr. Walsh with-

tions be obtained.

prosecutors uncovered the facts.

George III.

that foster terrorism — as Iran did, And the president was obliged by law to notify Congress of the arms shipments. He did not, Then the proceeds of the sales to Iran were used to arm the contras fighting Nicaragua's Sandinista government, Congress in 1984 had for-

bidden aid to the contras. Mr. Reagan's ClA director, William Casey, reportedly used the Irancontra operations to plan an off-the-shelf covert action system free from the legally required scrutiny of con-gressional intelligence committees. Those actions together represent-ed an assertion of absolute presiden-

The World Should Be Patient With Russia

The world that confronts President-elect tional to the offense? Bill Clinton is newer and more disorderly As the Jesuit John Courtney Murray than anyone might have imagined only a says: "Consideration must be given to the year ago. In what seems a test of wills. American forces have clashed with Iraqi proportion between the damage suffered warplanes; this followed the first casualties and the damage unleashed by a war to repress the injustice ... There are greater in Operation Restore Hope in Somalia. The evils than physical death and destruction United Nations edges closer to aerial interwrought in war. And there are human goods vention in Bosnia. And a glance around the of so high an order that immense sacrifices world reveals a dozen or more "failed may have to be borne in their defense." states," countries verging on collapse and ethnie strife, each a possible candidate for-Using this test, intervention in Somalia United Nations intervention.

seems incontestably just in its aims - to save a starving people —and proportional. in its collective means. And, however un-It is hard to say whom all this makes more uncomfortable, the old-style military comfortable the reality, only U.S. leaderor the old-style pacifists. Anxious to stay ship could have brought about this masout of Bosnia, some Pentagon authorities sive rescue mission. But does Somalia insist that U.S. soldiers can "do" deserts, as offer a model or precedent for other huin Somalia, but not mountains, as in Bosnia. Some peace groups, by contrast, susmanitarian interventions?

Prudential considerations cannot be dispect that the Pentagon has a hidden agenda regarded. For example, if Indian Hindus in Somalia, that the scale of the operation is and Muslims should engage in countrywide intended to justify bloated defense budgets. Sister Anne McCarthy of Pax Christi, a genocidal conflict, intervention might be defended on moral grounds, but scarcely on

Roman Catholic group helping Balkan ref-ugers, spoke with greater clarity to Peter Steinfels of The New York Times. The grounds of proportionality.

Bosnia is closer to Somalia. Nonviolent sanctions against Serbian aggression have world, she said, "cannot let 500,000 people be wiped out while peace groups sit around and discuss it." That is the problem, and not worked, "ethnic cleansing" is a euphemism for genocide, and UN enforcement of a no-fly zone would meet the tests of At what point does an intolerable wrong proportionality.

Every case, in short, has to be judged in its own context. But there is no reason why principles, and UN procedures, need to be ad hoc. Instead of posses, the world needs a standby force ready to move quickly under joint command before mass killings start. Like the cop on the beat, the mere existence of such a force could deter genocide, rampages and gross crimes. By moving quickly to articulate new rules and form a permanent peacemaking force, the new Clinton team might finally give real weight to the idea of "the international community."

-THE NEW YORK TIMES.

Yes, Keep Helping Russia

As the great struggle over reform deepens tracted and its performance will be ragged. in Russia, the West continues to have an in Russia, the West continues to have an invaluable opportunity to exert its influence on the side of democracy and stability. That will take money in the form of skillfully focused foreign aid. But the West's willingness to provide aid seems to be diminishing in a sort of exasperation with the disorder and confusion that Russia's peaceful revolution has produced.

The setback to President Boris Yeltsin and the reformers at the hands of the Congress of People's Deputies is a disappoint-ment to anyone who hoped to see the re-building of the Russian economy proceed rapidly and directly. Some important mo-mentum has now been lost, and progress is likely to be zigzag at best. But the central ideas of reform are still very much at work, and the question here is how best to encourage them from abroad.

these are the questions:

within a sovereign state's borders require

forming a UN posse to aid victims and

At what point does the world stop de-pending on posses and institutionalize a

This is a new version of an old debate

over the doctrine of bellum justum, or just

war, which began with St. Augustine. Tradi-

tional theology holds that a just war must

be declared by a legitimate authority; must

be waged for a just cause, like self-defense;

and is a last resort. To this, leading Catholic

bishops add a modern proviso: Does de-

system of international law enforcement?

economic aid would only be wasted if it were given under the present conditions of chaos and dissension. (John E. Robson, the they pay up. As the Russian economy slides deputy secretary of the U.S. Treasury, artemptation to stand back and defer substan-tial aid until the basic political issues have almost would be successful, and it certainly been settled. But they will not be settled quickly. The West needs a more vigorous strategy to provide encouragement and some useful measure of financial support to provide incentives for good decisions in a time spiraling downward in a cold winter. when the Russian government will be dis-

That is one of the urgent questions waiting

for President-elect Bill Clinton. The Russian economy is being caught in a vicious circle. The government, to avoid increasing social distress and unemploy-ment, keeps the price of oil down and makes huge loans to unprofitable factories. That raises the inflation rate, which leads to speculation and capital flight, which makes the inflation worse,

During the past year the West has pro-vided a good deal of aid to Russia, but not all of it has been in the forms most useful to the Russians and most supportive of good policy there. Most of the aid has been in the form of either deferral of payments on the debts of the now defunct Soviet Union or short-term export loans to buy Western commodities like grain. The Russians have fallen \$58 million behind in their payments Many Western governments argue that . on American grain loans to the Soviet government two years ago, and the result is that further grain loans are now cut off until toward hyperinflation, each malfunction

would not be cheap. But neither would failure be free of cost to the world as it confronts a desperate country with an immense nuclear armory and an economy

- THE WASHINGTON POST.

A Korean Achievement

Kim Young Sam, a veteran democrat, sion of reforms. As a result, this year's race won South Korea's presidential election hy a convincing margin. Kim Dae Jung, his main rival, lost the election but won new respect with a gracious and healing concession speech. The defeated candidate then announced his retirement from politics, opening the way to a new generation of

democratic leadership.

What a contrast to the last election five years ago, when both Kims embarrassed themselves. Given a rare opportunity to elect a civilian democrat in Korea's first free election in nearly two decades, they could not submerge their personal ambitions for the sake of a common goal. By splitting the opposition vote, they handed the presi dency to Roh Tae Woo, a former general nominated by the dictatorial regime. Fortunately, Mr. Rob turned out to be a

Kim Young Sam, the winner, is a pragmatist, not a visionary. But he is capably advised, has a reputation for honesty and is now buttressed by an undisputed mandate.

Kim Dae Jung exits with honor. In his first presidential race, in 1971, he nearly upset a military strongman. Shortly afterward be was kidnapped and nearly murdered. He again faced execution in 1980, after a brief democratic interlude was ended by military force. Both times, American intercession probably saved his life. By quickly affirming Kim Young Sam's victory, be now makes a final contribution to democracy.

This election is a proud achievement and an example to the rest of Asia. The people of South Korea, whomever they

voted for, are big winners. sincere democrat and carried out a succes--THE NEW YORK TIMES.

Other Comment

When Peacemaking Succeeds

El Salvador is celebrating its first peaceful Christmas season in a dozen years thanks to a remarkable exercise in diplomacy by the United Nations. The civil war that claimed 75,000 lives still rages in people's hearts, but national exhaustion and a dramatic change in U.S. policy gave the United Nations the opening it needed for a cease-fire that has held for almost 11 months. Rebel Faribundo Marti National Liberation Front armies have been disarmed and of the Reagan era, when U.S. dollars trained demobilized, their leaders have formed a and financed some of the most hrutal milifreely operating political party, land is being distributed to the landless and the right-accept UN mediation. The result is a shining wing civilian government has been muster- example of successful peacemaking. ing its courage to purge the armed forces.

There are plenty of problems ahead for a country with an appalling gap between a small wealthy upper class and povertyplagued masses. But the peace accords have brought signs of economic revival. Funds stashed overseas by rich Salvadorans are starting to flow back. Stores are opening Construction projects abound. International aid of close to \$800 million is being arranged and the United States has forgiven almost \$500 million in debt obligations.

Abandoning the ideological confrontation

- The Baltimore Sun.

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Directeur de la Publication: Richard D. Spinnora
Chairman from 1958 to 1982: John Here Whitney

Editor for Asia: Michael Richardson, 5 Canterbury Rd, Singapore 0511. Tel. 472-7768, The RS56928
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By John E. Robson

WASHINGTON — Boris Yelt-sin, brinkman of Russian politics, has eluded a fatal bullet The writer, deputy secretary of the U.S. Treasury, is one of President Bush's coordinators of U.S. assistance to the former Soviet Union and Eastern Europe. from the remnants of the nomenklatura. But he has been winged. And his compromise with parliament is (China), the new administration might overreact to these pressures.
But to question this sometimes only a temporary time-out, with the next round in the constitutional naive and overzealous hand-wringpower struggle scheduled to resume n April. In the meantime, essential ing is not to undervalue the high economic reforms are expected to stakes in having durable democra-

The next challenge to Mr. Yeltsin's political authority will also be a test for Bill Clinton. But Mr. Clinton cannot duck the Russian prob-lem until next spring. It is too im-portant, and besides, the Historic Moment Coalition is already ganging up — that collection of politi-cians, pundits and academics who proclaim every peak and valley in the jagged mountains of post-Communist Russian politics to be the "His-

proceed only haltingly.

toric Moment, "which, if not properly seized, will imperil all civilization.

They persistently decry the meagerness of aid from the industrialized democracies (read: Send gobs more money) and designate whoev-er is the current Russian leader as the only True Savior. (Not so long ago it was Mikhail Gorbachev.) Sensitive to charges that the Demo-crats already "lost" one country

more cautious approach have some powerful politics on their side. No one can expect to govern if half the population has no jobs because state-owned enterprises are removed from government subsidy cies and free market economies take and shut down. So these white elephants are perpetuated at the cost of huge hudget deficits, high infla-tion and deferred privatization. Be tolerant of imperfections in

reforms in Russia. He is. their reforms. Don't measure success by whether they transplant ex-act replicas of American institu-tions and practices.

These people are simultaneously dismantling deep-rooted institutions and betiefs while they build new and These things observed, however, America's leadership role in assisting the economic reform process in Eastern Europe and the former Soviet Union since the Berlin Wall toppled has taught some lessons that may be useful to Presidentelect Clinton: Put the economie and political reform process in these former Communist countries into realistic perspective. Do not panic. There will be many "historic moments." many instances of serious backslid-

ing and multiple changes in the players along this difficult journey. While most expert observers believe that cold-turkey economic reform works best, advocates of a

root in the former Iron Curtain

countries. Nor is it to quibble about

whether Mr. Yeltsin is genuinely

committed to implementing those



unfamiliar ones. The end product may not be political and economic models that Thomas Jefferson and Milton Friedman would admire, but don't let the theoretically perfect become the enemy of the good - and

the politically possible.

Our objective should be to have the reform horse finish the race. even if it takes more than one jockey, a circuitous route and a generaoon to get there.

Throwing money at the problem is not the solution. It not only would be wasted but could foster a reward system that actually interferes with taking the harsh but necessary economic reform actions. This is not the setting for a 1990s Marshall Plan. These former Communist nations have almost none of the mature free-market institutions or the large managerial class that were abundant in post-World War II Western Europe.

Economic reform cannot be delivered, wrapped and ribboned by the West. It can be accomplished only as a do-it-yourself project by the people of these countries. If they will not take painful but necessary actions, they will remain imprisoned in the discredited econo

mies of the past. So how should the United States assist the reform process? I would recommend at east six actions:

• The United States must maintain a visible presence and tangible engagement with the reform process, no matter how prolonged or disorderly it may be. We must be First Encourager and keep the success of these reforms as a top prior-

ity of U.S. policy.

• With our allies we must continue to provide legitimately needed humanitarian aid.

 Continue to work with Russia and the other republics on a realis-tic rescheduling of the substantial external debt burden.

 Do all we can to promote the growth of the entrepreneurial private sector. That is the most important vehicle for economic reform. The IMF, the World Bank, other international organizations and our private sector should he pressed to support this objective. Allow greater trade access to Western markets. That requires pushing the Europeans to open their markets and maintaining our

own liberal trade policies. We must continue the excel-lent technical assistance and management training programs under which we have provided a broad range of on-the-ground Yankec business, finance and management know-bow. Here, both the public and the corporate sectors can make buge contributions.

After three years of firsthand involvement with the economic reform process in the former Iron Curtain countries, I am optimistic that these nations can ultimately

achieve these reforms.

The challenge for the Clinton administration is to build on the foundation we have laid by remaining patient, being responsive but resisting pressures for kneejerk assistance and harnessing the resources of America's private sector to teach and invest.

Diplomacy Is No Substitute for U.S. Foreign Policy NAFTA — is a meaningful act. In dealing with

WASHINGTON — The dominant cliebe of the post-Cold War era — Bill Clinton repeats it every chance he gets — is that American foreign policy needs rethinking from the ground np. If so, then there are two pieces of good news in President-elect Clinton's foreign policy choices.

And some ont so good news.

The first good news is the choice of Les Aspin as secretary of defense. Mr. Aspin, for years the Democrats' shadow secretary of defense, is a seri-

ous foreign policy thinker. I can remember an obscure set of hearings he held almost a decade ago. Congress was in recess. The hearing room was practically empty. The topic was the morality of nuclear weapons. Mr. Aspin sat alone, perched high amid a sea of empty committee desks, probing theologians, strategists, historians, even the occasional journalist for hour after hour. The point? It was an attempt, as pure as I have seen

in a politician, simply to think an issue through. On the Gulf War, Mr. Aspin distinguished himself not just by getting it right but by thinking it right. In the weeks leading up to the war he issued three papers, one each on economic, military and diplomacc options. It was the best analysis of the coming conflict done anywhere.

The other good news is the choice of James Woolsey for CIA. In the early '80s Mr. Woolsey

was one of the few Democrats who refused to join the general swoon for the nuclear freeze. Together with Al Gore, Brent Scowcroft and a precious few others, he hatched the Midgetman missile, the single best arms control idea of the '80s. In his monographs be argued, against the Democratic grain, that the point of arms control was not mindlessly reducing or freezing numbers but changing the mix of weapons to reduce the temptaoon for either side ever to strike first.

Two first-rate thinkers. That is the good news. The bad news is that the CIA and the Defense Department are not where new foreign pelicies are born. They are generally born at State. Which brings

By Charles Krauthammer

us to Mr. Clinton's choice for secretary of state. Warren Christopher is a skilled negotiator, diplomat and troubleshooter. He has never been aclomat and troubleshooter. He has never been accused of being a strategic thinker. His friends are said to doubt whether he even has a political philosophy. At a time when foreign policy demands above all imaginative thinking, the selection of Mr. Christopher betrays Mr. Clinton's foreign policy defensiveness.

Mr. Clinton is reaching for a steady hand to fend off crises, to keep the world at bay while he tinkers with the economy. This is a few sets foreign the

with the economy. This is a far cry from the "courage to change," the grandiloquent promises of a new foreign policy for a new age that characterized his campaign and that he repeats even now.

Mr. Christopher's major meditation on foreign

real. Canadopher's major meditation on foreign policy is a monograph entitled "Diplomacy: The Neglected Imperative." The title is a true reflection of his philosophy. "Talking," explains Mr. Christopher, "is not only important to our foreign relations, it is the linchpin."

Now, the sweet divide in A majora for interest.

Now, the great divide in American foreign poliey is not so much between idealists and realists as between those who see foreign policy as a matter of national interest and those who see it as a matter of diplomacy. Ronald Reagan's was a foreign policy of national interest. It didn't give a damn whether America got agreements or onl. Containing defeating - the Soviet empire was an end in itself.

Arms control was not. If an arms control agreement helped achieve that end, fine. Otherwise, it was quite dispensable

The Carter State Department headed by Cyrus Vance and Warren Christopher was the quintes-senoal representative of the other point of view. Its aim was to find common ground with adversaries. The measure of its success was the number of agreements and treaties that resulted.

Signing a paper with friends - NATO, GATT,

enemies, however, signing paper can be worse than worthless. Iraq, for example, signed the Nuclear Nonproliferation Treaty. At least twice a year, it was inspected by the International Atomic Energy Agency. At the same time, we now know, Iraq had a huge undetected nuclear program. Had he not overreached in Kuwait, Saddam Hussein would

have the bomb today.

The number one challenge of the post-Soviet era is the proliferation of weapons of mass destruction. The temptation is great — George Bush succumbed to it, too - to pretend to deal with the problem by codifying ever more elegantly drafted international protocols. Problem is, these protocols do nothing to restrain the very countries most likely to acquire and use these weapons, Iraq, Iran and North Korea do not, unfortunately, share the belief that diplomacy is the newletted improving belief that diplomacy is the neglected imperative. They're into power, preferably nuclear.

In his remarks last Tuesday, Mr. Christopher cited "the quest for arms control" as one of two examples of hipartisan American foreign policy "at its best." (The Marshall Plan was the other.) The diplomatist fallacy again.
The single virtue of U.S.-Soviet arms control

was as a pacifier of public opinion. It gave the impression of tarning the Soviet threat while doing nothing of the sort. SALT-I, for example, legitimized a huge Soviet nuclear buildup.

Real arms control came as a result not of signed agreements but of the geopolitical defeat of the Soviet Union, which occasioned a burst of unilateral and bilateral cuts in weapons. The United States did not talk the Soviets into disarming. It forced them into it.

Diplomacy is a part of foreign policy — a minor, instrumental part — not a substitute for it. If Mr. Clinton's State Department is going to be a department of talking, let's hope that the rest of his team

will supply the thinking.

Washington Post Writers Group.

Beware the Flying Sparks of a Wider Balkan War

N ICOSIA — The UN Security Council's decision to send more than 700 peacekeeping persoanel into Macedonia and Greece's determination not to recognize the former Yugoslav republic or to allow its fellow EC members to do so unless it drops that name portend new dan-gers in an old Balkan flash point.

At best, the United Nations hopes to head off the spread of the expected explosion between Serbia's minority rulers and their 80 percent majority of Albanian subjects in the Kosovo enclave, bordering on Macedonia.

At worst, Macedonia's explosive

ethnic mix - Slavic Macedonians, Albanians and Bulgars as well as traditional Balkan adversaries, Greece and Turkey -could be the final link in the incendiary chain igniting a general Balkan or Greek-Turkish conflict.

In order to head off such a scenario, the West needs to understand some history. That history is tightly linked to one of modern Europe' oldest, most potent terrorist groups. the Internal Macedonian Revolutionary Organization, or IMRO. Now a respectable political party control-ling nearly one-third of Slavic Macedonia's parliament in the republic's capital, Skopje, it has been a sometimes hidden but usually sinister

power for a century. The organization's violent past is only one reason for Greek refusal to accept that "Skopje"—as the Greeks prefer to call the republic since it declared independence from the old Yugoslavia in 1991 — should call itself "Macedonia,"

stantine Karmanlis on down to Athens taxi drivers will explain, Macedonia was Greece's ancient northern province and is still that today. Skip the centuries of conflict -Greeks vs. Slavs; Slavs vs. Turks, and Turks vs. almost everyone else — between Alexander the Great's

time and now. Focus instead on the

1890s. Turkey then ruled much of

what is today both Greek and ex-

Yugoslav Macedonia. Then as now,

the territory's ethnic mix was very

difficult to senarate.

As anyone from President Con-

By John K. Cooley

To fight the ruthless Turkish occu-piers, in 1893 a Slav schoolteacher named Gotze Deltcheff created IMRO. What began as a cultural-na-ocualist club soon became an underground terrorist organization bent on driving out the Turks, but also targeting Greeks, Albanians and others in the name of a free "Macedonia"

By 1901, when IMRO thugs bombed the then Turkish-occupied Greek port of Salonica and kidnapped an American woman mis-sionary for ransom, IMRO had divided into two tendencies. One wing favored Bulgaria's takeover of most or all of Macedonia, Greek and Slav.

To head off such a scenario, the West needs to know some history.

The other, which produced today's party in the Skopie parliament under President Kiro Gligorov, favored a Macedonian state. IMRO wanted chunks of today's Albanian, Bulgari-an and, yes, Greek territory. In 1903, IMRO violence helped

provoke a mutiny among Turkish officers stationed in Macedonia, Its spread reinforced the Young Turk re-volt of reform-minded soldiers and politicians in the Ottoman Empire The fall of the despotie Sultan Abdel Hamid II led, after World War I, to the end of Turkey's Islamic regime and the rise of a secular republic.

IMRO violence helped keep Bal-kan fires hurning through the wars and revolutions from 1912 to the 1930s. At first the Soviet Union en-

couraged IMRO and trained some of its leaders as Communists. But in 1934 Hitler proclaimed his struggle to revise World War I peace treaties and frontiers; this made Stalin drop revi-sionism, and, for a while, IMRO. Like the post-World War I Yugo-slav kingdom's Croat people. IMRO's Croat Fascist leader, Ante Pavelic, cooperated. (Later, in World War II, Mr. Pavelic was the self-styled poglavnik, or führer, of the Croat militia Ustasha

that cooperated with the German and Italian conquerors of Yugoslavia.) Together, with secret support from Mussolini's son-in-law, Count Ciano. IMRO and Ustasha planned and executed the murder of King Alexander of Yugoslavia and Foreign Minister Jean-Louis Barthou of France, both in 1934. Like other terrorism of the time, such as the Nazi murder of Chancellor Engelbert Dollfuss of Austria, this was intended to soften up and destabilize

Eastern Europe for later conquest and to warn such Western powers as France to keep hands off. Bulgaria, siding with Hitler, occu-pied and brutalized a large strip of northern Greece after the victorious Germans had raised the Nazi swasti ka over the Acropolis in Athens. As the war dragged to an end, a Greek Communist organization allied with IMRO belped ignite the 1944-49 Greek civil war. The Communists kidnapped thousands of Greek children to Soviet-bloc states. IMRO's allies further alienated Greek leftists by demanding cession of Greek Macedonian territory to Marshal Tito's

which gave the name Macedonia to its southern province. With decisive U.S. military help for the Greek anti-Communist government and the final break between Tito and Stalin that by 1949 closed the mountainous Greek-Yugoslav border, thus denying the Communists their privileged northern sanetu-ary, the Greek civil war collapsed. IMRO went underground, its terrorist activities on hold until final crackup of Yugoslav communism and the Yugoslav state led to Skopje's

declaration of independence. Greece has now rejected a compro-mise name, "Macedonia-Skopje," proposed by Slavic Macedonia's par-liament. Turkey, one of the few states Macedonians hated the Serbs and to recognize Skopje's independence their hegemony. So IMRO and the under the name Macedonia, is trying Germany does not want a separate

to rally support of the United Na-tions and Muslim powers for military intervention on behalf of all threatened Muslims in the Balkans.

Here in Cyprus, there is worry. President George Vassiliou's advisers wonder whether the stalled peace talks and even the cease-fire, which has held since the 1974 Turkish invasion, may not be at risk if Greek-Turkish hostilities erupt in the Balkans. There is ample reason for the Unit-ed Nations, with intense and interest-

ed U.S. and European support, to stamp out the Balkan sparks now flying from the Bosaian conflict, before they start new forest fires further to the south and east. The writer, an ABC News corre-

political contemporaries have been lition of slavery in 1833. He is yet

1917: Terms of Peace?

"Two things are known here - !. That

peace with Russia. She wants a general peace; 2. That Germany fears the Bol-shevik influence. She is afraid of its effect among the German working class. The authorities here are aware of the privations which are embittering large sections of the German population against prolongation of the war.

1942: A Post-War Plan WASHINGTON - [From our New

York edition: Vice-President Henry A. Wallace commemorated tonight Dec. 28] the eighty-sixth anniversary of Woodrow Wilson's birth with an address which illuminated the developing policy of the Roosevelt administration as to the post-war world. He declared that the United States must provide a job for every one after the war as a matter of national policy, war as a matter of national policy, and that the United Nations must exercise post-war "psychological dis-armament" on Germany and Japan, supervising their school systems to remove the poison from the minds of the young. He did not mention Italy.

Herald The Cribune. Make Peace on Earth

OPINION

'Christmas Eve Massacre': Motives, Zigzags and More

By William Safire

HARPERS FERRY. West Virginia

— George Bush's "Christmas Eve massacre" of the Iran-contra prosecution has been treated as a single event. motivated either by compassion for presidential loyalists or a need to shot down deeper inquiry. That is a mistake. The pardons rounded out a tho of

decisions about independent counsel made in the last two weeks. The key figure in each was C. Boyden Gray, the White House legal counsel.

To deduce the pattern, we must grasp three relationships.

First, President Bush treats Mr. Gray

like a son and trusts him totally. No person has been as close in the final days. Second, Mr. Gray has had a four-year fend with James Baker, a competing confident. It was Mr. Gray, to distract attention from his own conflict of interest, who exposed Mr. Baker's hank holdings and forced him to sell. In the recent campaign, Mr. Gray was irked at Mr. Baker's slowness to take charge and quickness to distance himself from

looming defeat: Third, William Barr, the 42-year-old amorney general, became acquainted with Mr. Bush in his 20s, when he served as one of his sides in the CIA; he was then one of his sades in the CIA; he was then taken under Mr. Gray's wing and owen his current lofty position to Mr. Gray's sponsorship. A loyal order-follower, Mr. Barr makes no major decision without a nod or wink from his mentor.

With that background, coosider the three interrelated decisions on inde-

First, despite demands from both Judiciary committees and an ohvious conflict of cover-ups between the Justice Department and the CIA, Mr. Barr broke precedent and refused to seek indepen-dent counsel in the Iraquate scandal. In-

A Scandal Lives On

THE SALE of arms to Iran and the diversion of profits to the contras were actions taken against democrati-cally agreed upon policies of the country. Those who undertook those actions were prosecuted not because they op-posed the policies — that much would be mere political difference - but because they illegally enacted their opposi-tion. At a stroke, by undermining the investigation at what may be its most crucial moment, the president has made

himself the central figure in the scandal. It is likely that the Ethics in Govern-ment Act will be renewed after Presidentelect Bill Clinton's inauguration. It is also conceivable that Lawrence Walsh's ap-pointment as independent counsel will be renewed. Sadly, for those who saw George Bush ending his tenure with dignity and vigor, these pardons will have an osite to the one intended. They will not put fran-contra to rest.

- The Los Angeles Times.

stead, he handpicked a whitewasher who dutifully filibustered past the election. ultimately condemning Con ress for the arms buildup of Saddam Hussein. Just before the special-prosecutor act expired. Mr. Barr insisted that such an appointment would undermine career officers in the department's criminal division.

Second, on the day before the act was to end, under no pressure from press or Congress, Mr. Barr suddenly reversed field about his criminal division's capacity: He found evidence of sufficient credihility (1 suspect at Mr. Gray's behest) to seek genuinely independent counsel in the case of the State Department's search of Bill Clinton's passport files. State's tawdry invasion of privacy was not in the same league of criminality as Iraquate's sustained lying to Congress and obstruction of justice, yet it rated the hated special prosecutor. The court panel was ready with Joseph deGenova because it screened him for the expected Iraq-

gate appointment. (He had a conflict.)
Third, as the arms-for-hostages scandal threatened to involve Mr. Bush more deeply at the Caspar Weinberger trial, Mr. Gray took Mr. Bart's Justice pardon dossier to the president; on Christmas Eve, the independent counsel's Iran-contra case was effectively shut down.

Follow the Barr-Gray zigzag: "No" to investigating major Iraqgate lying: "yes" to investigating minor passport file lying: "no" to further investigating arms-for-hostnges lying. Why the inconsistency?

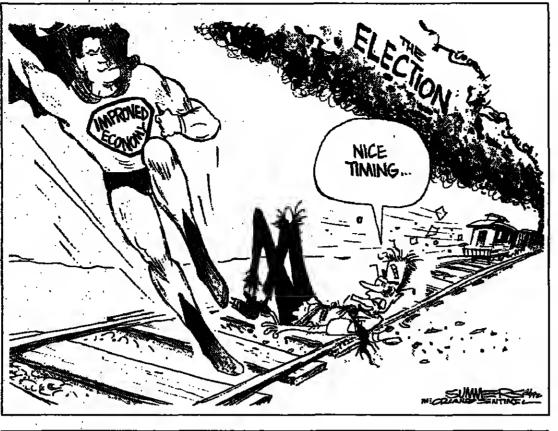
Answer: Only James Baker, not George Bush or Boyden Gray or Wil-liam Barr, is vulnerable on the passport file case. Mr. Baker's longtime left arm, Janet Mullins, is the designated fall guy in the suspected lying: Margaret Tutwiler, his right arm, will be targeted for complicity. Both women are likely to be granted immunity and squeezed to rat on their boss before a grand jury; because they are unlikely to perjure themselves, Mr. Baker is likely to be embarrassed at guilty knowledge of the

misdemeanor of snooping but not prose-cutable for lying to officials. Mr. Burr excluded a more serious invasion of privacy - the widespread operations-center telephone eavesdropping by lawless bureaucrats — in his surprise request for independent counsel. That is set to be quashed; the purpose of the passport-case appointment is to settle Mr Gray's score with Mr. Baker while trying to draw attention away from the two scandals touching Mr. Bush.

I have not been among Mr. Baker's ardent acolytes in the past dozen years. hut he deserves the respect of a serious inquiry into major crimes of state rather than a light pop on a dirty trick.

The ability of Congress to take truthful testimony has been challenged by

the pardons. The reaction to the shutdown of Iran-contra should be the opening up of Iraqgate. The New York Times.



LETTERS TO THE EDITOR

Pardons for the Powerful

Shame on George Bush. This craven, crafty act mocks the dignity of the presidency. It is, of course, a direct descen-dant of Gerald Ford's pardon of Rich-ard Nixon, done, we were told, in the

name of national harmony. Pardons like these shield the powerful from prosecution. They tell the oation that its leaders are above the law. Will the nation answer back?

EDWARD RAPP. Duras, France,

Here we go again. A departing Re-publican president has outrageously misused the transition period to stop criminal investigation of his close aides, indirectly barring public insight into his own apparent breaches of the constitution. Is it not high time to have laws that make such self-serving acts in the fare-well period inoperative? A departing president should be too lame to duck! FREDRIK S. HEFFERMEHL.

Charles Krauthammer states that Mr. Bush had no agenda and therefore, hy definition, succeeded because he enacted nothing, which is exactly what be had proposed; history should thus look fondly upon him ("Don't Confuse the Voters' Verdict With History's, "Nov. 20). But did Mr. Bush actually promise nothing? I seem to remember four memorable items from his 1988 campaign that

tion president, that Americans would have a "kinder, gentler" nation and that there would be "no new taxes." Well let's see: the environment worsened, the school systems are going downhill fast, crime is up and taxes were raised.

JASON BECKERMAN.

Ends Don't Justify Means

In "Senator Asks That CIA Use Spying to Aid U.S. Industry" (Dec. 24), Dennis DeConcini says he is willing to change U.S. laws in order to allow such action. Just hecause other countries engage in such reprehensible activities is on reason to do the same. Is this the way America hopes to lead a new world order?

IBRAHIM ALADWANI,

A 'Shameful Attack'

We are outraged at the assault on the Babri Masjid at Ayodhya, India, an event we have feared for some years. We condemn unreservedly this desecration of an ancient mosque, and the destruction of part of our national heritage. We consider it a national disgrace.

We denounce the failure of the central and state governments to antici-pate the scale of the attack, and regard this failure as tantamount to complicity. We urge the civil authorities to initiate comprehensive criminal proceedings against the vandals in ques-tion and their political bosses. probably won him the election. Vice Pres-We deplore any tendency to divide ident Bush promised that he would be the environmental president and the educa-society on sectarian lines and have wit-

nessed with dismay the escalation of communal tension in recent years. Ayodhya is not a religious dispute, but a struggle hetween the secular, tolerant and liberal temper of India on the one hand, and fascists and sectarian fanatics on the other. We call upon all sections in India to restore and preserve communal peace, and to contain any further social threat resulting from this tragic and shameful attack upon our

NALINI VITTAL and 14 graduate students from India in London and Norwich, England.

secular values.

A Corps to Renew America

I have waited in vain to read of support for Stephen Amhrose's comments and his suggestion that President-elect Bill Clinton revitalize the United States through the creation of a modern Civilian Conservation Corps (Opinion, Dec. 1).

The parallels between 1992 and 1933 are such that Mr. Clinton would have everything to gain and nothing to lose. As noted by Mr. Ambrose, the infrastructure necessary to establish a corps exists. The estimated cost of less than \$1 hillion, for a 1-million-volunteer corps, is a bargain, considering the benefits. Imagine: One million jobs within a year, plus thousands of jobs in the private sector to provide equipment, materials and services in support of the corps' needs. A possible and most welcome by-product may be that a generation would learn respect for the nation they help to rebuild.

R. MAXWELL FISH. Sevran, France.

We Walked Down the Hall Toward a Light We Know

By Alison Davis

HICAGO—I used to think of sending out Christmas cards as an entirely pleasant exercise. I've enjoyed how this yearly accounting of the who's who in one's life yanks different people and events up from out of the past. But lately

there's been an edge to the process.

Three years ago I sent out 175 Christmas cards from our emptied house in Chicago. We were about to move to London, and I was keen to get them out before we left. One of the 175 went to my friend Edith.

In England, several months inter, a letter arrived from Edith's brother saying that she had died the previous September. It was more than slightly dis-

MEANWHILE

concerting that I'd evidently known someone well enough to send her a Christmas card, but not well enough to know that she wasn't alive to receive it. And it was particularly upsetting that

that someone was Edith.

The two of us met for a time, in one place: the fourth floor of the umpteenth wing of the University of Chicago hospi-tal. My half-corpse of n roommate wasn't long on conversation, so I got to talking with my oeighbor Edith. Within a few days I'd become a sort of stopper

in her doorway.
Feeling up to it for n time, Edith and I began to walk the halls. We joined the repairers of televisions and deliverers of flowers; the dieticians and pharmacists: the patients on gurneys and in wheelchairs; the concerned family members and hospital policymakers; the men and and nospital poncymaters; the men and women ordained by God, or medicine, or both. We passed lab-caves, hospital beds, lecture halls. We toured this city and wondered aloud about its citizens.

At night there was less to observe and obstruct, and it was then that we talked about the things that had brought us to this place, those diseases that had invaded our bodies and clutched at us. It had been more than n few years for each of us. We covered other topics, certainly — books read and unread, summers in Wyoming, the men who did or did not exist in our lives. But we always drifted back, at night. It seemed there was a mutual telling of things that only one or two people in each of our lives would ever hear. What was said belonged to Edith

and me and those corridors. It does still. Per our cocktail party composites, she was a spinster secretary who lived with her father and brother in the suburbs. and I was a married, overambitious edifor who went to all the correct films and restaurants. But is was as if the composites had been hung somewhere out on the horizon line. What was left was an inner skin, covered in the same hospital gown, who completely understood.

When I left the hospital, Edith and I promised to keep in touch. We visited each other oo subsequent hospital stays, but only once did we get together on the outside.

We were to go to lunch on a Sunday. and with the help of a map, I drove out to her house to pick her up. Inside, it was Sear's entalogue, 1950; no Crate & Barrel or Laura Ashley here. Lots of antimacassars at the tops of well-used armchairs. People seemed to be padding around in old cardigans holding books.

The air felt wedged-in.

Outside the hospital, the differences came to. Edith was in church while I was sleeping off Saturday night. She wore her cat-eye glasses for real: I wore them as a vintage-clothing accessory. She was as uncomfortable being out in the city at night as I was being by myself at home. Our phone calls started to dwindle, and Edith faded away behind the boundaries of a smug urban purview. My soulmate of the corridors became an entry on my Christmas card list.

Chance sets us down beside an inner skin and allows us to walk together for a time. Then we are dispensed back into our lives, composites come down off the horizon line, and some not-so-hip glass-es and strands of tollway fall between. But one remembers the other, a half-

hour's drive and a world away. What struck me more than anything else about Edith, then as now, was that she never watched television, even in the hospital. I recently read that the average American spends two hours a day in front of the hox. So Edith gave herself 14 more hours a week to read and paint, and ride her horse, and

breathe out her life. When Edith died we hadn't been in touch for more than a year, except by Christmas card. I hadn't known that she'd been battling the Big C. Her brother wrote that she'd wanted only n few people to know, even at the end. Dignity

and boldness knew her well. Christmas leaves its lights in our heads. As we grow older, our memories collect more and more of them — and-eventually thousands of pointed lights; go hlazing in there.

But in my mind these last years and Christmases have been another kind of light, one apart. It's at the end of a corridor, and two people are walking toward it. They are pushing IV polesover linoleum, heads bent in conversation, making their night dance.

Alison Davis is a free-lance writer living in Chicago. She contributed this comme to the International Herald Tribune.

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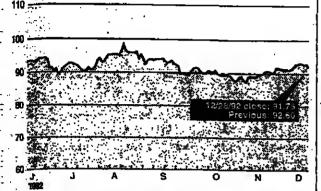
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International Herald Tribune, Tuesday, December 29, 1992



THE TRIB INDEX: 91.75

International Herald Tribune World Stock Index c, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25%	Approx. weighang: 40%	Approx. weighting: 35%
Close: 85.42 Prev.: 87.13	Close: 91.40 Prev.: 92.17	Close. 98.59 Prev.: 98.79
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	Hon.	Prev.	change		Mon. close	Prev.	change
Energy	92.48	92,64	-0.17	Capital Goods	92.04	92.60	-0.60
Utilities	B6.74	87.96	-1.27	Raw Materials	92.64	93.07	-0.46
Finance	84.02	85.58	-1.82	Consumer Goods	93.56	94.04	-0.51
Services	102.16	103,17	-0.98	Miscellaneous	93.80	94.23	-0.46

For readers dealing more information about the international Herald Tribune World Stock Index, a postel is available free of charge by writing to Tab lades, 181 Avenue Charles de Gaulle, 92521 Neutilly Cedex, France,

INTERNATIONAL STOCKS

Model Economy of Chile 'A Solid Long-Term Buy'

By Nathaniel C. Nash New York Times Service

ANTIAGO — Deep economic change has been wrought throughout Latin America — governments have created balanced budgets, low inflation and real growth, replacing halanced budgets, low inflation and real growth, replacing ideficits, hyperinflation and recession. No country has produced more change and more results than Chile. Analysts tout Argentina for its privatization program and Mexico for its free-trade agreement with the United States, but Chile is the model of reform and stability.

Begun in the early 1980s under the rule of General Augusto Pinochei, free-market reforms bave been continued by the civilian

government of Patricio Aylwin. Housing Minister Alejandro Fordey announced last week Since 1990, the 40 that 1992 would be the country's best year to three decades, with 10 percent real ceonomic almost 400 percent. growth, 4.5 percent unemployment, a 5 percent increase in real

largest stocks are up

wages, 13 percent inflation and a 19 percent investment rate. He also said the country bad lifted about 700,000 people out of

Thus, it is not surprising that the Chilean stock market has risen more than 22 percent this year, when other markets in what are now known as emerging nations have fallen by as much as 50 percent.

"The Chile play is one of high growth and stability," said José
Mignel Barros, director of the brokerage firm Larrain Vial SA, who
added that Chile's market was considered more a mature market than a speculative emerging one. "People who invest here are betting that Chile will be a developed country in 15 years," he said. But it has not been an entirely smooth year. During the first half of 1992, foreign investment flooded the country, growth averaged more than 11 percent and the market soared 24 percent. Such a heated economy needed adjustments, and the stock market reflect-

ed some of that uncertainty in the second half of the year. . To keep growth in check and inflation down, the central bank raised interest rates. Investors left the market, worrying that the government would cut electricity rates and hurt the profitability of energy companies. Also, pension funds sold some of their holdings to avoid overconcentration. These factors tended to depress prices after July, but since November, share prices have recovered much See SANTIAGO, Page 13

Why Do U.S. Purse Strings Loosen?

By Robert D. Hershey Jr.

New York Times Service WASHINGTON - Even before the holiday shopping season, America's mighty army of retail consumers had begun to loosen its grip on purse strings and wallets — parting with \$165 billion to November alone.

But as merchants bask in what for many was the best Christmas in several years, economists are still trying to piece together just where these shoppers are getting the money; from higher incomes, by borrowing or by drawing from savings or other assets? The answer could well determine the health of the crontony in the months to come economy in the months to come.

Consumer spending on retail goods, rent and other services accounts for two-thirds of the economy, but despite huge volumes of data collected by the government and private sources, a definitive answer has not yet been found to where the money is coming from And economists are offering diametrically opposite forecasts for the months ahead.

Some, like Irwin L. Kellner, chief economist for Chemical Banking Corp., say they are optimistic, believing the holiday splurge bodes well for the economy. "I'm very hopeful that it can be sustained," he said, citing substantial recent growth in wages and sala-

ries. "It's no surprise it's a great holiday shopping season. But many other analysts are more pessi-

"In essence, consumers have been spending more than they are taking in, implying that in early 1993 they will be forced to retrench," said Gordon Richards, economist

> Where the money is coming from will determine the economy's direction.

for the National Association of Manufacturers. "It is important not to be lulled into a false sense of complacency by the apparently buoyant Christmas season."

The most pessimistic may be Albert Sind-linger, a polister in suburban Philadelphia whose mid-December telephone interviews uncovered "little cheer" for the 1993 economy, "The consumer remains in a tremendous liquidity bind," Mr. Sindlinger said, "unable to sustain lasting growth in personal con-sumption or in retail sales."

A look at the government numbers for the various gauges of the consumer's financial position is instructive, though hardly conclusive. But the figures do suggest that incomes are rising, that a newly confident consumer is once again taking on debt and that households are also pulling money out of savings.

In short, today's spending is being Ineled by all three sources, but with little agreement to be found about their relative importance

or future course.

"It's coming from a surprising source —
incomes earned from employment," Mr.
Kellner said when asked the source of consumer wherewithal. The number of new jobs may be "microscopic," he added, but "the people who have jobs are working longer hours, and hourly wages are apparently going

Susan M. Sterne, a consultant in Stowe, Vermont, whose specialty is consumers, con-curs with this analysis of incomes and notes that borrowing is up as well.

After falling every month from February through August, consumer installment debt

rose in October for the second straight month and probably advanced in November and December. And credit-card issuers report See BUYERS, Page 13

China Slashing 400,000 Jobs In Coal Industry

By Nicholas D. Kristof
New York Times Service

BEUING — China has laid off 100,000 coal workers and will lay off hundreds of thousands more in the coming years as part of a broad effort to modernize its energy induscflort to modernize its energy indus-try, an official report said Monday.

The layoffs suggest that the Communist Party is finally grap-pling directly with the enormously complex and painful problems of industrial restructuring. In the past, the government resisted such layoffs for fear of provoking worker unrest—the same kind of anxious and outcage that empted in eties and outrage that erupted in Britain in October when the government there proposed laying off

30,000 coal miners. The Communist Party sees the

Conservative Party perceives it in Britain: Some mines are not eco-

nomic to operate at present prices.

The official China Daily said that China National Coal Corp., a state-owned conglomerate that employs 3 million people, in 1993 alone would close 30 inefficient mines and lay off 30,000 miners and 70,000 workers in related jobs.

The newspaper said the company planned to reduce the number of its coal workers by 400,000 by the in 1995. The report added that another major state-run coal company, which it did not identify, also planned "massive layoffs to inrease efficiency."
The China Daily also said that

100,000 coal workers already had been laid off, although it did not

say when this happened, It said most had found jobs elsewhere. The Energy Ministry refused to comment Monday. The coal corporation directed inquiries to Tan Enli, director of policy research, who said that the article in China Daily was premature and should not have been allowed to be pub-

"We'd like to do these things," Mr. Tan said, referring to the pro-spective layoffs for 1993 and beand. "But first we need approval. In January, the company will hold a conference to decide whether to go ahead with these plans."

In China, if a conference is called to debate a topic, that usually means that the aim is to build a consensus and legitimacy for a decision that has already been made.

State-owned corporations like the coal company have been a headache for China's leaders. While the overall economy is booming at a 12 percent growth

See COAL, Page 13

Manufacturers Deal Finance Subsidiaries Out

By Michael Quint

New York Times Service
NEW YORK - Some of the best-known names in American industry are coming to the same conclusion: They are better off concentrating on their core businesses and giving up their finance-company subsidiaries. The methods and reasons for leaving the

credit business vary. But in many cases the original goal of helping customers buy the parent company's products no longer seems to justify the investment needed to stay in the business and compete with other lenders. in recent weeks:

 Westinghouse Electric Corp. announced that it planned to liquidate its troubled credit

◆ American Telephone & Telegraph Co, said it planned to sell 15 percent of its bealthy financing arm to the public and operate it as a stand-alone company.

• Eastman Kodak Co. sold its finance subsidiary, with \$1 billion of assets, to General Electric County Company.

eral Electric Capital Corp.

 Chrysler Financial Corp. said it would sell to Nationsbank most of its Chrysler First subsidiary, which makes consumer loans and finances merchants' inventories.

The time is right for finance companies to change hands, analysts said, because weak loan demand has made many banks eager to grow by acquiring finance companies. At the same time, low short-term interest rates have made many finance companies more profitable and easier to sell.
Gary C. Wendt, president of GE Capital, said, "Manufacturers all over the world are

facing an increasingly competitive market - and that is causing them to take a fresh, hard look at how they should allocate their

Hundreds of companies have farmed out to GE Capital the business of helping merchants and dealers finance display models and inventories, Such transactions have helped earnings of GE Capital's equipment and industrial financing business more than double since 1987, to about \$332 million last year.

With a triple-A credit rating, GE Capital can borrow more cheaply than most other companies, and its size allows it to invest in the teams of auditors and expensive computer systems needed to keep tabs on tens of thousands of loans.

At Eastman Kodak, the sale to GE Capital of its credit subsidiary, which financed copiers and equipment used to make electronic images of written documents, was part of the same paring back that led the company to hire International Business Machines Corp. to manage its data processing.

The credit subsidiary was very profitable, but Robert T. Hamilton, a vice president of Eastman Kodak, said it could not match GE's financial strength and flexibility.

Gerber Scientific Inc., a South Windsor, Connecticut, company that makes computercontrolled cutting equipment used to manufacture automobile interiors, signs and garments, sold its credit business, with \$18

in a sale that is typical of many companies.
"We got into the finance business four years ago because the recession was creating a situation where banks were not willing to treasurer of Gerber Scientific. But with the economy improving and in-terest rates low, be said, Gerber Scientific

would "let GE do what it does best, while we concentrate on sales and product improve-Analysis noted that two giants of the finance industry. General Motors Acceptance Corp. and Ford Motor Credit Corp., long

ago outgrew their origins as lenders to car dealers and car-buying consumers. Both make a variety of loans now. Selling some nonessential businesses

might let the two auto finance companies improve, or at least stabilize, their credit raongs and leave them more leeway to grow by offering low-cost auto financing to car

Japan Posts Record November Surplus

Bundesbank Renews Statements of Support For the French Franc

PARIS — Belying the boli-day calm on the foreign-exchange markets, the Bundesbank vice president, Hans Tietmeyer, defended the parity between the Deutsche mark and French franc on Monday even as a French academic ar-

gued for letting the franc float. Separately, a Bundesbank council member and the chair-man of the German govern-ment's council of economic advisers spoke optimistically about the prospect of a fall in German inflation and interest rates, the main cause of speculative ten-

sion in Europe'a currency grid. Mr. Tietmeyer, in an interview with the French daily Le Quotidien de Paris, said the recent pressure on the frane stemmed not from economic problems but from a debate within the French opposition on whether to abandon the strong frane policy after national elections in March.

"I hope this debate in France on the strong franc will soon be over," he was quoted as saying. Mr. Tietmeyer said he was pleased former President Valéry Giscard d'Estaing and former Finance Minister Edouard Balladur — tipped as possible fu-ture prime minister — had clear-ly said they favored continuing

the strong franc policy.

He also said France's economic fundamentals were strong, citing its low inflation rate, competitiveness and balance-of-payments surplus.

no Duncux, also d fended the strong franc policy. telling Le Figaro newspaper that France would win the lasting confidence of the currency markets and a large degree of freedom in setting its interest rates if it maintained its policy.

But in the same newspaper. Florin Aftalion, a professor at the Ecole Supérieur des Sciences Economiques et Commerciales, said allowing the franc to float now "would provide some relief to industries being throttled." He said if a flotation were combined with a tough policy against inflation, the franc would probably regain its value against the mark eventually because inflationary pressures were using in Germany.

In Germany, meanwhile, the Bundesbank council member for Bavaria, Lothar Müller, said inflation in Western Germany was likely to slow in 1993, and that a slowdown in money supply growth should allow the Bundesbank to slowly cut interest rates in the longer term. In Bonn, Herbert Hax, chair-

man of the advisory panel known as the five wise men, said the Bundesbank might begin lowering rates soon. "The chances for this are

good," Mr. Hax said in an interview with the Berlin daily Ta-gesspiegel. "Lowering interest rates is possible and desirable as soon as the pressure on prices (Reuters, AFP)

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Compiled by Our Staff From Dispatches . Economists agreed that the surcount surplus grew nearly, 50 percent in November from a year earlier. official figures showed on Monday, and economists said it would continue to widen as long as an economic slowdown suppressed imports.

The Ministry of Finance said la-

The upward trend is likely to continue as a weak economy crimps imports.

economie growth for the current earlier forecast of 3.5 percent.

March 1992. In November 1991, the country The expansion in the currentrecorded a surplus of \$7.05 hillion. account surplus reflected a jump in "We do not see any significant change in the trend in the trade surplus," said an economist at Nikboth the trade surplus and the surplus in services, a finance ministry ko Research: "We see the uptrend continuing as long as the stuggish

Japan's trade surplus widened to

\$9.65 billion in November from
\$8.46 billion a year ago, but desaid. "That and a weak import

Exports expanded at a slow pace fiscal year to 1.6 percent, from an in November because manufacturers were using up this year's export quotas for the U.S. and European markets, the economist at Nikko Research said.

"After Jan. 1, they will be allowed fresh quotas so we shall see

banks improved their position by paying less interest abroad while ereditor banks in Japan received large payments from debtor na-tions such as Brazil, he said. In addition, sewer Japanese traveled abroad, narrowing the deficit in the tourism account.

The growing surplus is expected to be the target of continuing at-tacks by other countries, especially the United States. "It could be a political issue in bilateral talks." a finance ministry official acknowledged in releasing the figure at a news conference.

Taiwan Now 'Developed,' **Official Says**

imports.
The Ministry of Finance said Ja-

pan's surplus of \$10.45 billion in its

current account, the broadest mea-

sure of trade in goods and services,

was the largest ever for the month

of November, although still below the record \$13.796 billion posted in

Japanese economy pulls imports

TAIPEI - The vice economics

minister. Chiang Ping-kun, says Taiwan will attain the status of a developed economy this year as its per capita gross nacional product rises above \$10,000 for the first "We have reached the level of a

developed nation," the semi-offi-cial Central Daily News quoted Mr. Chiang as saying in an interview published Monday. Per capita GNP was estimated to total \$10,196 for 1992, up from \$8,788 in 1991, when it was the world's 25th highest, he said.

Mr. Chiang said the structure of

Taiwan's economy had changed drastically in the past six years with the expansion of capital-intensive and high-technology production.

As a developed nation, Taiwan will pour more resources into im-

proving social welfare and the envi-

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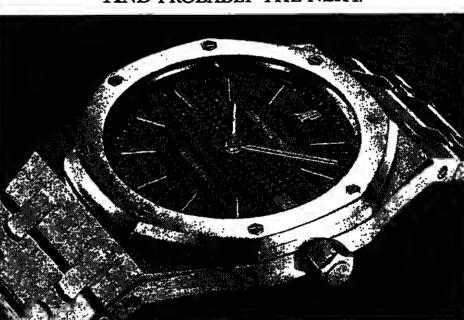
Notice is hereby given that an Estraordinary General Meeting of the above named Com-pany will be held at EBC House, 1-3 Scale 20th January 1998 at 11:00 a.m. to consider and, if thought fit, pass the Resolution set out below which will be proposed so a Special

SPECIAL RESOLUTION That the name of the Company be changed to "EBC Traded Currency Fund

Limited". (DR-holders are invited to give their voting instructions to the undersigned. If no voting instructions are received the depositary will rote in favour of the Resolution AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 23 December 1992.

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Page

Dow Jones Averages

Key Blue Chips Sap Mixed Market

Compiled in Our Stuff From Disparches NEW YORK - A late bout of computer-driven program buying gave blue-chip stocks a gain Monday, with the overall slock market

Despite a rise in the Dow Jones industrial average, much of the

N.Y. Stocks

pressure on the overall market came from declines in three key issues: American Telephooe & Telegraph Co., International Business Machines Corp. and Minnesota Mining & Manufacturing Co.

The Dow industrials rose 7.02 points, to 3,333.26. The broader New York Stock Exchange was lower, however, with declining issues outnumber advances by about a 10-10-7 ratio. Over-the-counter stocks rose, with the Nasdag composite index gaining 0.37 to 666.25.

Volume was weak at 143.80 million shares traded oo the Big Board, partly reflecting bad weather conditions in the Northeast. It was ahead of the partial day's trading on Christmas Eve, whoo 95.24 million shares changed hands.

Coincidentally, IBM and AT&T each fell 1% to 51%, IBM bas been trading near a 17-year low on concern that it would trim its dividend as part of its restructuring. AT&T weakened after a fund manager told a television reporter that the stock could fall from its current level to \$45 a share.

that its 1993 earnings may not live up to previous expectations.

3M fell 1% to 102% on concerns

Besides the declines in the three awell-known blue chips, the overall

market was pressured by a rise in Treasury-bond yields. The credit markets were depressed by evidence that retail sales rose during the Christmas season. This implied economic growth that would translate into upward pressure on interest rates.

The Dow

The beliwether 30-year Treasury bond fell 15/32, to 102 22/32, raising its yield to 7.40 percent from 7.36 percent last week.

Glaxo Holdings was the most ac-tive issue on the New York Stock Exchange, continuing to slide after critical research reports from two brokerage houses last week that raised doubts about its earnings

prospects. Glaxo dropped ½ tp 22½, IBM followed on the actives list. trailed by Tucson Electric Power, which was up 1/4 to 2214.

RJR Nabisco also was active, unchanged at 8½. A published report said Philip Morris Cos. had been more successful than RJR and BAT Industries PLC in gaining a market presence in Eastern Europe. Philip Morris gained % to 78%. BAT's American depositary receipts, which trade on the American Stock Exchange, were down 1/4 at 14%.

Noveli led the over-the-counter actives, edging up % to 27%. The stock has been active since it said last week it would buy AT&T's Unix Systems Laboratories Inc. The acquisition gives Novell more than 20 years of AT&T research in the Unix operating environment, which is popular in the workstatioo business, a growing sector of the computer market,

Energy Service led the Amex acdves, inching up 1/16 to 1 1/16.

Bloomberg, UPI, Reuters)

Tension Over Iraq "Underpins the Dollar

Compiled by Our Staff From Dispatches NEW YORK - The dollar rose Monday on heightened tension in -the Gulf and optimism about the relative strength of the U.S. economy, traders said.

The dollar closed at 1.6205 Deutsche marks, up more than 2 pfennig

Foreign Exchange

from 1.5995 DM on Thursday. rMurkets were closed Friday for Christmas. The U.S. currency rose to

124:900 yea, from 123,945 yea; to 1.4675 Swiss francs, from 1.4495, ... and to 5.5225 French francs, from 5.4525. The pound ended at \$1.4980. down from \$1.5275. that American aircraft oo Suoday

shot down an Iraqi jet that ven-tured into the UN "no-fly" zone covering southern Iraq, and that the aircraft carrier Kitty Hawk was heading for the area. Investors often view the U.S. currency as a safe haven in times of political or mili-

"The Iraqi news is a factor to the extent that there's nothing else go-ing." said Carl Amendola, assistant potheken & Wechsel Bank. As the dollar rose, some inves-

tors were forced to buy back the dollars they had sold on the bunch that they could buy at lower levels. Siobhan Lakev, a trader at Baok Julius Baer in New York, said some dollar buying also appeared

were exaggerated.

Traders and analysts suggested that for just that reason, it should oot be assumed the dollar would maintain its rise on Tuesday.

"People are just looking for an excuse to buy the dollar," said Marc Chandler, senior foreign-ex-change strategist at IDEA, a market consulting firm, referring to the Iraq news. Other "safe-haven" investments, such as gold and the Swiss franc, were barely affected.

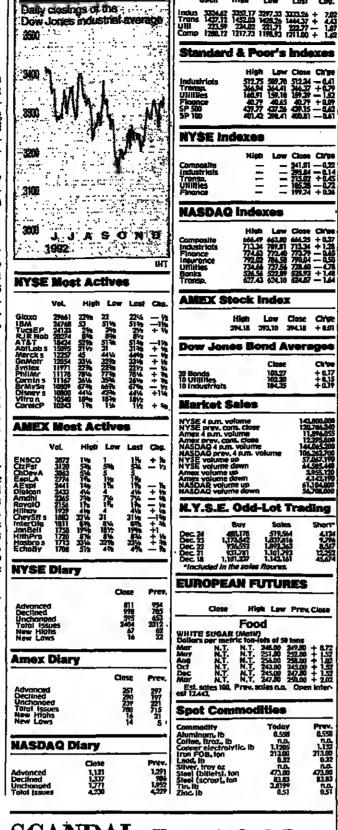
More important to the dollar's ascent in the longer term has been the growing optimism about the prospect for a German rate cut and a stronger U.S. economy in 1993,

cials and the approaching wage to-gotiations in Germany have rein-forced the notion that the German central bank might be willing to ease credit sooner than many inves-tors anticipated tors anticipated.
Bundesbank President Helmut

Schlesinger has said be expected West German inflation "to move closer to a 3 percent rate" next year. That could eventually drive long-term interest rates below 6

ong-term interest rates below 6
percent, he said.
"Since the Schlesinger comments
we've been moving up slowly but
surely," a corporate trader at Banque Indosuez said.
Though investors may have read
too much into Mr. Schlesinger's
remarks, "the groundwork is being
set for a rate cut, which we expect

set for a rate cut, which we expect by February," said Mr. Chandler at IDEA. (Bloomberg, Reuters) (Bloomberg, Reuters)



SCANDAL: Kuwait's Cash Drain

(Continued from page 1)

with skill and freedom, largely in Western and Asian economies.

Ultimate management of the KIO, the tanker company and the banks rests with senior members of the ruling family.

Kuwait's new oil minister, Ahmad al-Baghli, who was appointed after the free parliamentary elec-tions held in Kuwait a few weeks pers Monday as saying that a review of commercial registers, accounts and billing practices has led to the "discovery of fraud" by former officials of Kuwait Oil Tankers Co.

Abdallah Roumi, who became chairman of the tanker company after the Gulf War, discovered a scheme whereby ships and oil storage space were privately chartered to senior officials, who resold the space to the public company they

manage for fat profits, other Ku-wait officials said in interviews. According to accounts from senior officials of Kuwait's oil industry, Mr. Roumi personally reported these irregularities weeks ago to the emir of Kuwait, Sheikh Jaber al Ahmad as Sabah. But the investigation started only when members of

ularities involve the collapse over the past few months of the financial empire built by the Kuwait Investment Office in Spain around

Grupo Torras SA.
Torras, a holding company, and two of its enterprises, the chemical group Ercros and the real estate developer Prima, have been placed under the Spanish equivalent of bankrupicy protection.

Grupo Torras's chairman, Mahmoud Nouri, said this month that the group realized losses of more than \$4 billion.

It is known that members of the Kuwaiti royal family also invested in the group, and the question is whether they saved their own investments at the expense of public

Kuwaiti investment. These developments follow other controversial steps taken by the previous government of Kuwait.

previous government of Kuwait, which has committed nearly \$20 billion of Kuwait's savings to bail out the banks over bad loans.

Critics have argued that much of those loans were given to big businessmen and members of the royal family before the Iraqi invasion who kept the money overseas and are now using public funds to enrich themselves and gain foreire. the new parliament pushed for it. rich themselves and gain forgive-So far the largest financial irreg-

U.S. Executives Bullish For First Half of 1993

The Associated Press

NEW YORK — Executives at a broad range of U.S. businesses are fairly optimistic about the economy's prospects for improvement, according to a survey released Monday.

The Conference Board, a business-funded research organization, said a poll of about 500 top executives regarding the 1992 final quarter revealed that 70 percent believed the economy would improve in the coming six months while only 8 percent expected conditions to WOISEIL

The board's measure of business confidence edged down one point to 61, though a reading above 50 generally indicates "a surplus of positive responses."

The current reading is still relatively high," said Jason Bram, an economist with the Conference Board. "Moreover, the latest survey returns were a bit more upbeat than earlier ones, suggesting a renewed up-swing in confidence within the quarter."

Executives in all major businesses were hopeful about prospects for their own industries with retailers and wholesalers in particular expressing optimism about the critical holiday shopping period.

Forty-three percent of those polled said conditions in their

in the last six months. That is down from 48 percent in a sur-

vey conducted in the third Ouarter. Among the 21 percent of executives who say conditions have weakened in their indus-

tries were representatives from the manufacturing sector. Inflation expectations are modest, with most executives anticipating an average rise of about 2.6 percent, the Confer-

pected the largest price in-■ Vehicle Output to Rise U.S. car and truck produc-

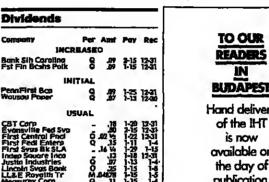
ence Board said. Insurance and

utility executives said they ex-

tion for the first quarter of 1993 is now estimated at 1.579 million cars and 1.188 million trucks, up 1 percent from levels set by planners in late November, Ward's Automotive Reports said Monday, according to a Bloomberg Business News report from Detroit.

The combined first-quarter output of 2.767 million cars and light-duty trucks is up from a production estimate of 2.737 million vehicles about a month ago, the newsletter said.

The latest estimate means first-quarter output would be up 20.5 percent from 2.297 million cars and trucks made in the first quarter of 1992.



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U.S./AT THE CLOSE

Oxy Sets Payout to Settle Suit LOS ANGELES (Bloomberg) - Occidental Petroleum Corp. said

Monday it had agreed to pay at least \$1 a share in annual dividends on its common stock through 1997 to settle a class action lawsuit. The lawsuit alleged the oil company committed securities fraud by cutting its annual dividend to SI in January 1991, shortly after assuming shareholders the previous \$2.50 dividend it was paying was secure, said New York attorney Joe Weiss, who represented the shareholders.

The commany has agreed to may an annual common stock dividend.

The company has agreed to pay an annual common stock dividend through at least 1997 of 50 percent of the company's "recurring and sustainable" earnings if such earnings exceed S2 a share annually. It also agreed to increase its dividend to 60 percent of "recurring and sustainable" earnings in 1996 and 1997 if such earnings do not exceed \$2 a share between 1993 and 1995.

The settlement is subject to final approval by the court, and declaration of future dividends will still be subject to Occidental's board of directors' "exercise of its fiduciary obligations and business judgment" as well as applicable laws and financing restrictions, the company said.

April Start for Chevron in Kazakhstan

NEW YORK (Reuters) - Chevron Corp. said Monday that it expected full-scale operations to begin April 1 at its joint venture with Kazakh-stan in the Tenghiz and Korolev oil fields on the Caspian Sea coast.

The company said intensive work during the last seven months by joint working groups had resulted in agreement on all significant issues between the government of the republic and Chevron. The venture envisions potential peak oil production of more than 700,000 barrels a day by 2010.

Potlatch Expects Lower Earnings

SAN FRANCISCO (Bloomberg) — Potlatch Corp. said Monday that it expected fourth-quarter earnings below last year's level because of

weak markets for paper products and operations problems at the company's plant in Lewiston, Idaho.

The company said the per-share figures for the fourth quarter would drop from the 55 cents it had in the year-earlier period. Potlatch would not estimate how much lower the earnings would be. The stock dropped

Stock at \$45 on the New York Stock Exchange.

Weaker markets and lower-than-expected sales of high-margin products are to blame for "substantially" lower earnings from Potlatch's printing and business-paper operations, the company said. And production at the Lewiston pulp and paperboard plant was down about 15 percent during the quarter.

Upjohn and Rohm Absorb Charges

KALAMAZOO, Michigan (Combined Dispatchest — Upjohn Co. said Monday it would take a total charge of \$224 million, or \$1.26 a share, in the fourth quarter in cover the adoption of new accounting rules. Upjohn said adopting new rules to account for post-retirement benefits would result in a charge of \$237 million, which will be partially offset by a

gain of \$13 million from new rules to account for income taxes. Also, Rohm & Haas Co, said costs associated with the new accounting rules and charges related to its Philadelphia plant would reduce its after-tax 1992 profit by \$218 million, or \$3.29 a share. (AFX. Reuters)

Weekend Box Office

The Associated Press

LOS ANGELES (AP) — Jack Nicholson was a powerful draw at the box office over the Christmas weekend with "A Few Good Men" and "Hoffa." Following are the Top 100 money was a based on Friday ticket to the control of the

and estimated sales for S	aturday and Sunday.	
A Few Good Men"	(Columbia)	\$74 millio
Aladain"	(Disney)	\$12.4 millio
Home Alone 2"	(20th Century Fox)	\$10.2 millio
The Bodyguard*	(Warner Brothers)	57 millio
Forever Young"	(Worner Brothers)	\$7.5 mTileo
Hoffo"	(20th Century Foe)	56.6 milio
Trespuss"	(Universal)	\$5.2 militie
The Distinguished Gentlemen"	(Hallywood Pictures)	\$4.2 millio
Leap of Fatth"	[Portmount]	34 millio
Toys	(20th Century Fox)	S4 mitilo

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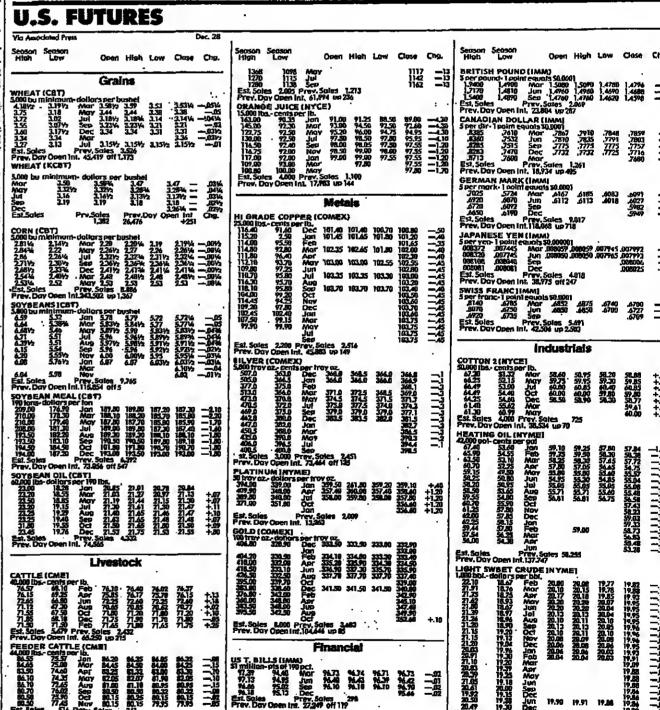
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WORLD STOCK MARKETS



ondon, Montreal. Sydney and Toronto were closed Monday

Santander's Stock Price Plummets As Bank Posts Court-Ordered Bond

Compiled by Our Staff From Dispatches MADRID - Banco de Santander-SA posted a bond for 8 billion pescias (\$70.2 million) on Monday, as ordered by a judge who has alleged the bank's past loan opera-tions violated Spanisb law.

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Banco de Santander's stock price lost more than 5 percent to close at 4,290 pesetas, while the Madrid stock market's banking-sector index dropped 1.8 percent amid nervousness about the investigation by the high court monetary crimes judge, Miguel Moreiras. Mr. Moreiras, who has filed no

formal charges, alleged that the commercial bank failed to withhold at least 2 billion pesetas in taxes on interest payments and in-duced clients to commit tax fraud. Mr. Morciras is leading an investigation into off-balance-sheet loan operations known as loan assignments, regularly carried out by

Spanish banks from 1986 to 1989.

Through the assignments, banks

Banco de Santander and other

made by the borrowers. Since the funds from the thirdparty investors were not considered

deposits, banks circumvented both the Bank of Spain's high reserve requirements and withholding taxes on interest payments. In 1989, Spanish authorities began requiring banks to declare the operations as bank deposits. But Mr. Moreiras said in last

Wednesday's ruling that the assignments were effectively time deposits that Banco de Santander offered to selected clients. The judge claimed that the bank also assisted clients in providing false names for the assignments upon learning they would be inspected by the tax authorities.

Banco de Santander, wbich trades on the New York Stock Exchange and owns 17 percent of that the bond "does not affect the First Fidelity Bancorp, of Newark great solidity and strength of the New Jersey, argued that Mr. Morbank."

(AP, Reuters)

sold loans in their portfolios to in- eiras was retroactively classifying vestors. The bank and the investors the assignments as time deposits then split the interest payments subject to withholding tax.

José Sevilla, banking sector analyst at the Madrid brokerage FG Inversiones Bursatiles SA, said many investors seemed to be using the news as an excuse to take profits on Santander shares, which have outperformed the market.

"Santander prices were high in comparison with the rest of the sector," Mr. Sevilla said, adding that share prices are expected to continue falling in the short term.

Banco Santander said in a statement released at the weekend that while the bond amount was "substantial," the bank was confident depositors and investors will view it within the context of our strong balance sheet."

"We are shocked, baffled Bank of Spain Governor Luis Augel Rojo told the Spanish state and disappointed by the rul-ing," he said, but added Bull did not assume it to be final. news agency EFE over the weekend Bull had a net loss of 1.69 billion francs (\$310 million) in the first half of this year.

Government Vow Bull 'Shocked' At Reversal of **Boosts DAF Stock** U.S. Contract

PARIS — Groupe Bull, the money-losing French computer maker, said Monday that it DAF NV gained 17.2 percent Monday, reacting to a promise by the was "shocked" that a U.S. Dutch economics minister that he government agency had voidwould not let the unprofitable truckmaker go bankrupt.
The rise in DAFs shares, to ed its American subsidiary's

\$740 million contract with the 10.20 guilders (\$5.67), from 8.70, came despite news of a major production cut scheduled for January Under the contract, awarded in September, Bull's Zenith and February. Short-covering was Data Systems would have sup-plied 300,000 desktop computan essential element in the advance, ers over three years. dealers said.

Economics Minister Koos An-The General Services Administration's board of condriessen said last week that if nectract appeals decided on Thursessary be would provide a financial day to overturn the contract lifeline for the company because of DAF's importance to the Dutch but sealed its ruling until Jan. 4, a Bull spokesman said.

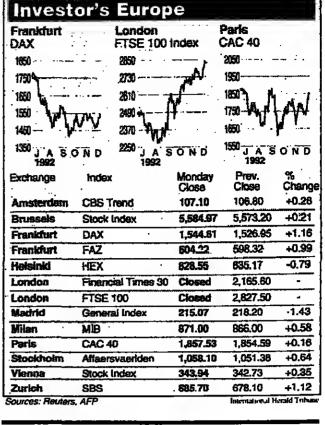
On Monday, DAF said it would cut the working hours of 2,800 of its 5,000 employees in the Netherlands by 50 percent for six weeks in lanuary and February. DAF received permission for the work re-duction from the Ministry of Social

Affairs, which will pay about half AMSTERDAM - The stock of of the salaries of those workers affected by the production cuts, the company and the government said. The workers will therefore get their full salaries during the period.

The cut in Dutch ontput will effectively reduce the workweek by two days, a DAF spokesman said, adding that the company's Belgian unit would introduce similar cuts and Leyland DAF employees in Britain would average a four-day week for a similar period of time.

Two weeks ago, DAF said its 1992 net loss would be larger than the 100 million guilders it predicted earlier this year, and announced it was trimming output during the traditionally slow year-end period.

Production was halted at the company's main Eindhoven factory over the Christmas holiday and will only return to normal in the eighth week of 1993. (Bloomberg, Reuters, AFX)



COAL: Slashing Jobs in China

(Continued from first finance page)

rate this year, the main beneficiaries are private and collective enterprises. Among state companies, which account for about half of industrial output, only one-third are earning profits, with one-third experiencing losses and the rest breaking even. Coal mines bave particularly suffered because their costs have gone up while the price of the coal they sell is fixed at artificially low levels by the state.

The solution is twofold; raise coal prices and lay off surplus workers. The government has worried, however, that consumers might protest rising prices for coal, which is used for heating and cooking, and that miners might protest

Now the authorities appear to be moving on both fronts, not only in the coal industry but throughout

In addition to laying off surplus coal workers, China has said it is raising coal prices gradually so that they will reach market levels within the next few years. This year, for example, National Coal Corp. is allowed to sell 20 percent of its

output at market prices, and in

1993 the figure will rise sharply.

owned companies are also restructuring and laying off workers. In the central city of Chongqing. for example, the local Foreign Affairs Office says that a state-owned knitting mill was declared bankrupt in September, costing 3,000 workers their jobs. At least at that time, it was the biggest single bank-ruptcy that had been allowed in

China, the local officials say. Until recently, the state normally bailed out such unprofitable factories indefinitely, because of the fear of worker unrest.

As a result of those incidents, the leadership cooled down the talk about how terrific layoffs are for economic efficiency. And now, while going ahead with the restructuring, it apparently has decided to provide as many sweeteners to the workers as possible.

Each of the the laid-off coal workers will be eligible for a nointerest loan of up to \$1,720 to belo start a business or find work elsewhere. And the laid-off knitting workers in Chongqing were mostly given early retirement.

BUYERS: Why Do They Shop?

hefty increases in usage, some at Elsewhere in the economy, statedouble-digit rates.

"I like that a lot," said Ms. Sterne, observing that consumers had refinanced homes and taken other steps to reduce debt burdens, a process that allowed them to take on new commitments once again.
Neal M. Soss of First Boston

Corp. contended that "the marginal increase in spending that we're seeing is from borrowing." He is unimpressed with the evidence of rising incomes. Wayne M. Ayers, chief econo-

mist for the Bank of Boston, added, "I think what's really going on is that consumer debt burdens have finally been brought down to more manageable and comfortable lev-

ment debt now takes just over 16 percent of disposable personal income, the lowest proportion in eight years, according to Mr. Kellner of Chemical.

In fact, repayment on install-

The third source of consumer spending power, savings, is subject to more dispute. The report on national output for the third quarter did show personal savings falling to

(Continued from first finance page) 4.6 percent of disposable income ter, but analysts wondered whether this reflected consumer reality.

U.S. Air Force.

"I don't think we're drawing down massive amounts of savings to support consumer spending. Ms. Sterne said, pointing to sharp upward revisions for savings in previous business cycles — three percentage points in the wake of the 1981-82 recession — following declines similar to the current one. She also saw little evidence that people were cashing in mutual funds or insurance policies.

Still, many analysts agree, consumer prosperity depends largely on job creation and the prospects for this, given swelling health, Social Security and other employment costs, do not seem particularly bright.

Many observers, in fact, said it would be business spending for new labor-saving machinery, not the consumer sector, that will power the fledgling economic expansion. Only if jobs appear as well, Mr. Kellner concluded, would be give a "100 percent assurance" of sustained economic growth.

Hagen's Company Sells 4.6 percent of disposable income from 5.3 percent in the second quarter, but analysts wondered whether

OSLO - The investment company headed by Torstein Hagen. who is embroiled in a corporate battle with the Dutch transport company Nedloyd, is selling its Norwegian oil interests to Saga Pe-

troleum A/S, Saga said Monday, Saga said Mr. Hagen's DNO A/S accepted an offer of £235 million kroner (\$34.8 million) for its wholly owned oil subsidiary DNO Olje. DNO A/S and another Hagen company, Marine Investments, to-gether hold a stake of between 15 percent and 16 percent in Royal

Nedlloyd Groep NV. DNO holds options on another 11 percent, Mr. Hagen, who won a Nedlloyd board seat in October but now risks being ousted, has been trying for months to bring about substancal

change at the company. He has called for the sale of

Nedlloyd's ocean shipping activities and changes in its corporate

On Monday in the Hague, the Dutch organization representing the interests of public company shareholders criticized both Nedlloyd and Mr. Hagen, whom it has supported in his drive for change.

The stockholders association. known as VEB, said the supervisory board's proposal to reappoint its chairman, Rijnder Wijkstra, had the appearance of a refusal to introduce necessary innovation.

Mr. Wijkstra has spent 20 years on the board and will be of retirement age in a year, VEB said.

But VEB also assailed Mr. Hagen for not consulting it before requesting an extraordinary shareholders meeting on his proposals for structural change,

Very briefly:

 Russia bas failed to make \$95.7 million in payments on U.S.-government backed grain loans, on top of \$68.3 million in existing arrears, the U.S. Agriculture Department said, adding that it believed Russia would resolve the problem.

 AGA AB said it had acquired a 51.4 percent stake in the French coldstorage concern Compagnie des Entrepôts & Gares Frigorifiques from Compagnie Industrielle Maritime for 360 million francs (\$66.3 million). Olivetti SpA is heading for an operating loss of 300 billion to 350 billion lire (\$210 million to \$245 million) in 1992, senior manager Corrado Passera said in an Italian newspaper interview.

The Slovak republic has decided to stop privatizing state-owned companies through vouchers following its split from the Czech republic, but the Czechs will continue with the program, officials said.

Russia has decided to put two gold deposits in northeastern Siberia out to international tender, the Itar-Tass news agency said.

- SGS-Thomson Microelectronics BV, the Franco-Italian microprocessor maker, said it had sold a test and assembly plant to QPL International Holdings of Hong Kong; no terms were disclosed on the deal, which involves 115 staff.

Iran, pressing on with a drive to join the mainstream of the world economy, plans to become a member of the General Agreement on Tariffs and Trade, the Iranian news agency IRNA reported.

• West German business insolvencies jumped to 925 in October, up 30.5 percent from October 1991, the Federal Statistics Office said,

SANTIAGO: Funds View Chile as Prime Investment in Latin America

(Continued from first finance page)

of the losses and analysis say the worst is past. "Investors will be returning to the market in 1993," said Andres Zabala, general secretary of Citicorp's brokerage house in Santiago.

cal in nature. The fundamentals are positive, inflation is down, growth will be strong."

It is critical to the country to maintain a competitive export sector. Therefore, some control will be inevitable over the inflow of investment dollars and holding time for those investments. As dollars flow

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the competitiveness of the oation's exports, investors have to accept some limitations on their activity.

30 percent reserve for foreign in ing and distribution companies — vestments, and investors are re- Endesa, Enersis. Chilectra and quired to keep capital in the com- Chilgener — which make up almost However, they can remit profits at any time and the government is expected to reduce the holding time on capital to one year.

Investors who bave been here over the last three years bave been rewarded for their troubles. Since the beginning of 1990, the 40 largest stocks on the Santiago Stock Exchange have surged almost 400

First Boston Corp., in a recent investment newsletter on Latin America, described the Chilean market as "a solid long-term buy" and noted that despite problems

Chilean peso. Since the govern- with higher interest rates, "many ment cannot afford to let the peso countries in Latin America would get overvalued, which would burt love to have the same problems of overheating that Chile is experienc-

The stock market is dominated The central bank now requires a by Chile's large electricity-generattry for at least three years. 40 percent of the Ipsa Index, the market's main blue-chip barometer.

Other major stocks include Tele-fonos de Chile, the privatized tele-phone company: Cervezas, the dominant beer company, and Copec, a large energy concern.

Foreign investors have several options. Three companies trade American depositary receipts in the United States: Telefonos, Cervezas and Chilectra. There are also four

traded on the New York Stock Exhange: the other three — the Five Arrows Chile Fund Ltd., the GT Chile Growth Fund and the Genesis Chile Fund Ltd. —are traded in London.

At this point, Teléfonos de Chile seems to be the pick of many mon-ey managers. Although its current price/earnings ratio of 18 is higher than, say. Telmex of Mexico. there are good reasons.

The Chilean concern has a higher backlog of lines to he installed; Chilean demand for telephone lines is expected to be higher than in Mexico, and Telefonos de Chile also has large segments of unregu-lated markets, like the cellular-phone business.

Analysts said Chilectra should be considered a play on the future economic growth of Chile, but cauto invest in a broad range of Chil-ean stocks. The Chile Fund Inc. is

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U.S. Housing-to-Go Comes to Russia

By Kenneth N. Gilpin

New York Times Service The United States has been exporting chunks of its culture for decades, through books, televi-

sion shows, compact disk and films, to name a few. But it is fair to say that blanned communities have not been big items of foreign exchange. Now that is changing.'
Inspired by a slumping U.S. market and a
perceived need to provide Western-style comfort

and security for foreigners working in the former Soviet Union, American developers, with the blessing of the Russian government, have packed up their blueprings and headed for Moscow The most ambitious project, an \$88 million 478-town-house development called Rosinka, is now going up, piece by imported piece, around a recently constructed 16 hectare (40 acre) lake 24

kilometers (15 miles) from Red Square. Monthly rents start at \$3,750 and go up to \$6.833. Rosinka will be not only one of the most ambitious, but also one of the most expensive in which to live, which means most Russians will probably be excluded, though the developers say that 10 percent of the town houses will eventually be occupied by Russians who work

for Western companies. On its grounds, Ro-sinka will have tennis courts, an indoor pool, a day-care center and a shopping mail. "If I had to move to Russia, this is the only

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BUSINESS

CHTSHORE

place I would live, because it is as close to home as you can get," said Diane Corchard of Senie Kershner International Housing Ltd. of Norwalk, Connecticut, leasing manager for the pro-ject. "When you lie in bed and look outside, it's like being in Vermont."

For Rosinka, baving the United States government as its anchor tenant helped convince lenders to finance the project.

After lonking at its housing needs for the

The most ambitious project will have tennis courts, an indoor pool and a shopping mall.

coming year, a forecast that showed a shortfall of more than 40 apartments, the State Department agreed to lease 40 units at Rosinka; the Agency for International Development took 10.

Some worry that by building what amounts to gilded ghetlos, American developers may inadvertently be reconstructing social and economic barriers that were only recently torn down. "The Soviets used to encourage ghettos be-cause they didn't want Westerners to learn a lot

INTERNATIONAL CLASSIFIED

about Soviet life," said David K. Shipler, the author of the book "Russia: Broken Idols, Solemn Dreams" and a former Moscow bureau chief for The New York Times. "It is a little ironic that Americans are creating compounds just at a time when the government there permits foreigners to live among Russians if they choose."

Surveys of housing in Moscow by The Economist Intelligence Unit, a division of The Economist magazine, and Runzheimer & Co., management consultants for travel and living costs, show apartments considered to meet minimal acceptability standards by Western executives re available for rents from \$700 to as high \$3,200 a month for a four-bedroom unit,

There is "a less-expensive approach" than living in such a project, said Richard J. Sherwin, president of International Tellecil, based in Greenwich, Connecticut, a provider of wireless telecommunication services throughout Eastern Europe that wired Rosinka for cable television.

"You can get a Moscow apartment, but they lack American appliances, good bathrooms, decent water. And there are no international phone lines in those apartments. That is very important to us."

Mr. Sherwin, who said "it makes sense to give people a home away from home," has rented a unit in Rosinka that will sleep five and has three

SPAIN

Monday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsowhere. Via The Associated Pre-

(Continued)

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EDUCATION DIRECTORY Appears on Page 6 PERSONALS

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Monday's Prices

NASDAQ prices as of 4 p.m. New York time.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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TAIWAN: Ballot Box Surprise Puts Pressure on Island's Stock Market

were alleged to have occurred by 62 islan votes, announced he would not 50.

consolidate in a range of 3.000 to

take part io a new vote in the dis-The plunge in the local market has had virtually oo impact on the rest of Asia. The Asian component of the International Herald Tribune World Stock Index fell about percent on Monday, but was down only slightly from 86.22 on the eve of the Taiwan vote 10 days

Brokers and analysts said the Taiwan market has been reeling because of charges of vote rigging on the eastern side of the island. On Sunday, Huang Hsin-chieh, former chairman of the opposition Democratic Progressive Party, who missed winning a seat in the con-stituency where the improprieties

pute.

still be rigged to insure a Knomin-Mr. Hnang's statement and plans for a demonstration in the contested district appeared to rule out a quick resolution of the dis-

The stock-price plunge began last week after voters shocked the Knomintang by dealing a decisive blow to its 47-year monopoly on political power. In the first fully democratic parliamentary elections since 1948, Democratic Progressive Party candidates won 31 percent of the vote, more than doubling the party's current share of seats in the

lators a meaningful input in policy-making for the first time. But obtrict. He claimed the result would

servers believe iovestors are much more concerned about the prospect of a split in the ruling party. Although the Kuomintang won 53 percent of the vote, many of its successful candidates and several winners who ran as independents came from a rump faction of the party at odds with President Lee Teng hui, who is also the party's

That will allow opposition legis-

chairman. "People run from the stock market because there is a possible clash between Lee Teng-hui and Hau Pei-tsun, said Ting Tin-yu, a consultant to the Gallup organization,

island's 161-member parliament, to referring to Taiwan's prime minister who is considered head of the opposing faction. "I don't think it was result of DPP victory."

After decades of record economic growth under the Kuomintang, Mr. Ting and other analysts said voters turned against the party to register disgust at a series of corruption scandals and its cozy ties to big business. But having seen the results, investors now worry about what the new political atmosphere

will bring Investors are carefully watching to see how the Kuomintang will deal with sphil, first by deciding the fate of Mr. Hau and his cabinet early next year, and then by choosing new leaders at the 14th Party Congress set for late spring.

.105

Tables include the nationwide prices up to the closing on Wall Street and do not reflect are trades elsowhere. Via The Associated Press Div Yki PE 1906 High LowLates*Ch'ge 1,400 13.3 15 1276 99 346 1 211/2 51/4 131/2 946 131/2 946 131/2 946 151/2 28 2.9

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Tokyo Punishes Broker That Hid Client Losses

TOKYO - The Finance Minismy will suspend certain operations at the Tokyo branch of Cosmo Se- a financial year. curities during January as punishment for violations of securities laws, it was announced Monday. Yasuo Buoya, chairman of Cosmo, will resign and become a director of the medium-sized bro-

kerage, the ministry said. Convertible bond trading and corporate operations are affected

by the suspension.

The punishment of the corporate desk is for violations between August 1989 and October 1990, when Cosmo illegally arranged for certain customers to sell securities to others at inflated prices to avoid losses. Under this kind of illegal transaction, the seller guarantees to buy the securities back at a later date at no-loss to the buyer. Cosmo's illegal transactions totaled 6

billion yen (\$48.4 million).
Closure of the convertible-bond dealing desk results from Cosmo's sating clients for losses oo such bonds, through similar phony

The convertible-bond trading spension will last from Jan. 11 to Feb. 5, the Finance Ministry said, and the corporate division will cease operations between Jan. 11

Many of Japan's securities com-

major joint venture since diplomatic relations were

Al-Jubail Fertilizer Co., B 50-50 venture between

Saudi Arabia Basic Industries Corp. and state-owned

Taiwan Fertilizer Co., will begin building the factory early next year at Jubail in eastern Saudi Arabia.

"This will be a new milestone of cooperation be-

tween our two countries," Taiwan's vice economics

minister, Lee Shu-jou, said at a news conference,

broken in 1990, Taiwan officials said Monday.

panies are believed to provide such services for clients who want toavoid reporting losses at the end of

The suspension of Cosmo'a husiness is the stiffest penalty imposed by the Finance Ministry since the monthlong suspension of Nomura Securities Co.'s business in October 1991, as punishment for manipulating the share price of Tokyu

Cosmo Securities compensated customers for securities-investment losses during August 1989 and August 1991, Japan's securities watch-dog commission originally charged on Dec. 22.

The unrealized losses on the securities, which were mostly stocks, was 14 billion yen as of August 1992, said the director of the Securities Transaction Surveillance Commission's coordination and inspection division, Sei Nakai

The charge came just three weeks after the Tokyo Stock Exchange fined Cosmo 8 million yen for giv-ing other clients 4.2 billion yen for losses on securities investments between March 1990 and April 1992.

Cosmo's chairman and vice president resigned last February to take responsibility for a 35 billion yen loss in another compensation scam. The company posted a pretax loss of 8.18 billion yen for the half-year period ended Sept. 30.

Remers

TAIPEI — Saudi Arabia and Taiwan will invest \$360 million to build a chemical factory in their first and most of the output will be sold in the Far East, a

hinister, Lee Shu-jou, said at a news conference.

The factory will have an annual capacity of 150,000 feasibility studies on ventures to build an oil refinery and another petrochemical plant, Mr. Lee said.

urea factory.

Taiwan Fertilizer official said.

Al-Jubail Fertilizer, set up in 1980, already runs a

Mr. Lee returned on Sunday from a trip to Saudi

Arabia during which the two countries held their first

Taiwan and Saudi Arabia also agreed to conduct

formal economic talks since Riyadh switched diplo-

matic recognition to China from Taiwan.

Trading Is Slowest Since 1975

Compiled by Our Staff From Dispatches TOKYO - Tokyo's stock market, plagued by a prolonged ecocomic slowdown and gloom over the prospects for corporate carnings, is on track to post its lowest annual trading volume for 17 years.

Volume this year on the market's first section amounted to 65.1 billion shares as of Friday, a stock exchange spokesman said Monday. Volume on Monday was 100 million shares, the lowest since May 31, 1982.

The 1992 level is about a quarter of the 1991 volume. Based on current projections, the final figure for this year will be the lowest since 1975, the spokesman said.

The value of shares traded

this year as of Friday was 59 trillion yen (\$475 billion), about half last year's figure. Separately, the Finance Ministry reported Monday that foreign investors sold a cet \$1.50 billion in Japanese

stocks in November, the third straight month of net sales. (Reuters, Bloomberg)

Jakarta Banks Prepare to Sell **Astra Stake to Recover Loans**

consortium with Danamon.

assembling vehicles.

whose main income comes from

The troubles of the blue-chip

stock market. Astra's stock ended

Monday 100 rupiah lower at 8,875

rupiah. The market's index closed

0.41 points higher at 271.69, but

Indooesian banks may auction the at \$600 million. stake of more than 40 percent in PT Astra loternational that they hold as collateral after a default on loans to Astra's founding family, the director of one bank said Mooday. Jusuf Arbianto, director of Bank

Danamon, said, "There has been a default," adding that the banks would execute their option to sell the shares. "Oor option is to go through auction," he said. Danamon is one of three local banks that lent a total of 500 billion

rupiah (\$250 million), repayment of which was due this month. Earlier in the mooth, the Soeryadjaya family, which is being forced to sell its controlling stake in Astra to bail out another familyowned company, appeared to have won an extension of the loan.

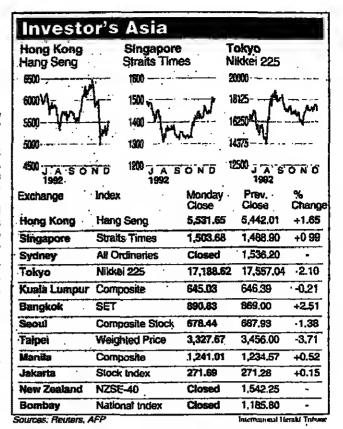
The family had borrowed the "Most investors preferred to stay

money to try to help out Bank on the sidelines due to uncertainty JAKARTA - A consortium of Summa whose losses are estimated over who is going to buy Astra." one broker said

> "We have appointed Bank Exim It had been widely expected that a group of Indonesian companies, headed by the timber tycoon as leader for this case," Mr. Ar-bianto said. "It will make the decision." Exim and another state Prayogo Pangestu, would take control of the conglomerate.

> bank, Bapindo, are members of the The assumption that he would There is still no word on who will take over led to the resignation this finally take cootrol of Astra, Iodomonth of the chairman, Sumitro nesia's second-largest company, Djojohadikusumo, who had wanted the shares sold to pension funds.

> But Mr. Prayogo, an associate of President Subarto, was quoted in the Kompas daily oewspaper Moocompany have pot further pres-sure oo a languishing Jakarta day as saying he was not sure now whether he would buy the shares. He had been expected to pay 10,000 rupiah each for the 108 millioo Astra shares - a 44.5 percent brokers said trading was restake - the Soeryadjayas want to strained largely because of the un-certainty over Astra. sell. But Kompas quoted him as saying he didn't want to pay such a



Hong Kong Delays Airport Contract

HONG KONG - The govern-

ment announced Monday that it had delayed awarding a reclamation contract that is a key part of Hong Kong's controversial airport Taiwan Plans Chemical Plant With Saudis

The contract to reclaim 21 hectares (52 acres) of Hong Kong's har-bor along the Central and Wanchai raterfroot was to have been made by Monday, but has been put off until Feb. 1, the government statement said.

A radio station reported, additionally, that the government denied the delay was due to the tension between China and Britain over Hong Kong. This tension is a result partly of political reform proposals and partly of disagreement over the financing of the airport project, and it has brought work on much of the project to a halt

"We believe that an extension to News, quoted the government's Feb. 1, in the light of other ongoing secretary for works, James Blake, discussions, would provide a valuable space for the discussions to contioue," the radio station, Metro

Shenzhen Passes Laws **Governing Real Estate**

Agence France-Presse HONG KONG - The legislature of Shenzhen has passed its first laws governing the special economic zone's real estate markets, the semi-official China News Service reported Monday.

The regulations on property reg-istration and leasing are modeled after laws in Hong Kong, Singapore and other countries, the news service said.

The airport is being built on the more remote Western side of Hong Kong. The reclaimed land would be the site for the terminus of a railway to link the airport with the territory's major population cen-ters. The site will also allow the expansion of Hong Kong's Central business district.

The government said it had the agreement of the two lowest bidders for the project to extend the validity of their tenders to Feb. 1. The reclamation is estimated to cost around 1.9 billioo Hong Kong dollars (\$243.6 millioo) at March

1991 prices, according to Hong Kong government (igures. The whole airport project is ex-pected to cost 112.2 billion dollars

at March 1991 prices.

Very briefly:

inflation, after about 5 percent this year.

 Taiwan's Mainland Affairs Council approved a plan to allow companies to make investments of under \$1 million in China without setting up subsidiaries in third countries.

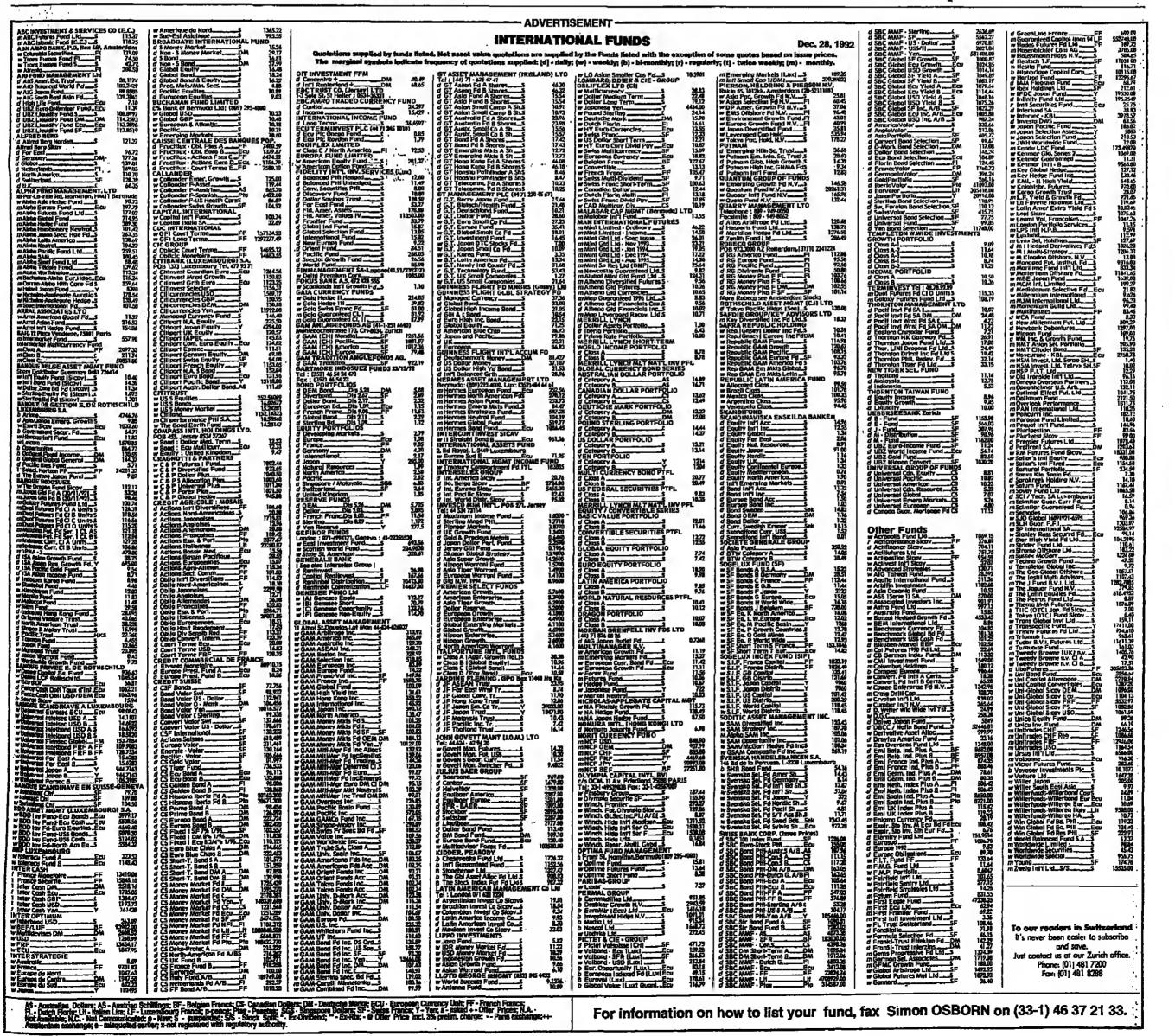
Matsushita Electric Works Ltd. has signed a \$40 million deal to make electric lighting in Beijing, along with Beijing Stone Group and Mitsui. South Korea's Economic Planning Board forecast gross national product would grow between 6 percent and 7 percent in 1993, adjusted for

Toyota Motor Corp. will begin production of Hiace commercial vans in a joint venture in Shenyaog. China, late next year, Japan's Sankei Shimbuo newspaper said.

 Asiaworld Group's owner, the Taiwan-based businessman Tan Yu, has reportedly received approval to build a 77-story hotel in the central Chinese city of Luoyang at a cost of \$1 billion.

Mitsui & Co. won a \$77 million cootract to install an optical fiber submarine cable system linking Malaysia and Thailand.

China Airlines' first public offering of shares was oversubscribed eightfold, said the lead uoderwriter, Taiwan Investment & Trust; investors sought to purchase 330 million shares at the offering price of 68 Taiwan dollars (\$2.67) a share. Reuters, AFP, Bloomberg, UPI



- 3 -

SPORTS 1992

It Was a Fine Year for Americans

By Robert Kitson

The Queen of England may have bated 1992, but then she wasn't born in the U.S.A. In sports, at least, it was a year to sit back and

enjoy the American cream.

For every U.S. legend who stepped aside, or in Mike Tyson's case inside, an alternative star seemed to surface. From Washington to Wimbledon, the script seldom wavered.

When Tyson went to jail, for instance, there was another big boy from Brooklyn, Riddick Bowe, in wait to become boxing's heavyweight champion.

John McEnroe and Jimmy Connors both reached their tennis sellby dates, but new Wimbledon champion Andre Agassi and world No. 1 Jim Courier won three of the year's four Grand Slam tennis titles, and steered the United States to another Davis Cup crown.

The U.S. Masters champion. Fred Couples, dominated the first half of the golfing calendar, Kevin Young and Carl Lewis were arguably the track and field athletes of the year and A.P. Indy won horse-racing's richest prize, the \$3 million Breeders' Cup in Florida. Even the Toronto Blue Jays' victory in baseball's World Series, the tors from the old Eastern bloc. first time a team from outside the United States had won the sport's holy grail, was achieved without a single Canadian on the team.

Back in the boxing ring, there was also an unlikely Canadian subtext to the stormy saga involving Bowe and British heavyweight Lennox Lewis.

Lewis, who from the age of 11 spent eight years on the other side of the Atlantic and won an Olympic gold medal for Canada, emerged as a top title contender in November after destroying Donovan Razor Ruddock in London.

Bowe won the crown less than two weeks later by beating the lionhearted Evander Holyfield in what was widely considered the fight of

could not agree terms for what seemed an obvious showdown. Elsewhere, Yuri Arvachakov became the first Russian to win a world professional title when be seized the WBC flyweight crown in June but, although Olympic flop Sergei Bubka hroke his world pole

But the Bowe and Lewis camps

The most glaring example was final race of the season, in Novem-Katrin Krabbe, the cool blonde ber, and Spain dominated the Tour

German springer with the world at de France cycling race as well. Miher feet. Instead of winning races, guel Indurain was first over the line she ended the year fighting a four-in Paris for the second successive she ended the year fighting a fouryear suspension for use of the drug year

Drugs in sport were never far away, notably the case of U.S. 400meter world record holder Butch Reynolds. He was banned for two years in 1990 after failing a drug test but was subsequently awarded \$27.3 million in damages against the International Amateur Athletic Federation by a court in Ohio.

If they had drug-tested Formula One motor racing cars in 1992, the Williams team would never have been out of the laboratory. Nigel Mansell won the first five races before clinching the world drivers' title in Hungary in August.

For Mansell, the first British driving champion for 16 years, it was the fulfillment of a dream that soon ended in tears when contractual wrangles led him to depart in a huff for the United States and the vault record another three times, it Indy car circuit.

That vivid occasion turned out to be Imran Khan's farewell as Pakistan's skipper, a fitting send-off for the revered "Lion of Lahore." In rugby, Australia reigned su-preme, David Campese providing the union spark and Mal Meninga the league muscle as the Kangaroos beat Britain in the World Cup final

Carlos Sainz of Spain claimed his second world rallying title in the

ber, and Spain dominated the Tour

Even more rapturously received,

at least by the Catalan population,

was Barcelona's European Cup

soccer triumph over Sampdoria at

Wembley. But the international

Summoned to the European

Championship finals in Sweden to

replace Yugoslavia. the Danes

played with infectious style to beat

Germany, 2-0, in the final, main-taining the holiday mood under the

shrewd command of their manager,

Diego Maradona's career splut-tered back to life in Sevilla, while

England's Paul Gascoigne recov-

ered from his serious knee injury to introduce Italians to his unique tal-

ents. The class team to watch, though, was still AC Milan, argu-

ably the best club side in Europe

It was a World Cup year in cricket, with Pakistan outplaying England in the final in Melbourne.

Richard Moeller Nielsen.

over the past two decades.

team of the year was Denmark.

in October. Yet for cricket and rugby union, the most intriguing southern hemi-sphere accents were South African. The republic's cricketers, under Kepler Wessels, returned to test cricket after 22 years with a tour of West Indies, while the Springboks

Chris Reynolds lost the ball to Butler's J.P. Frans but Indiana ran its mark to 10-1.

No. 2 Kansas: Shot Up, but Not Down

Second-ranked Kansas got quite a scare in Honobecond-ranked Kansas got quite a scare in Hono-lulu, and it came from beyond the 3-point line. The Jayhawks (8-0) beat Jackson State, 93-85, in the opening round of the Rainbow Classic, but Lindsey Hunter, a senior guard, scored 48 points and was 11 for 26 from 3-point range as well as 17 for 43 overall for the Tigers (3-6), who had upset No 24 Tulane in their last outline.

No. 24 Tulane in their last outing. "We didn't play that poorly," Kansas' coach, Roy Williams, said with a sign of reniel. We just had to try and outscore Lindsey Hunter and that's no knock against their team because they work to get

him the ball." They got it to him for those 43 shots and some were from far beyond the 3-point line. The Jayhawks had never before surrendered so many points to a player. Hunter just didn't have enough help.

His 3-pointer with 1:50 left closed the Tigers to 83-77 and they made it 83-79 with 1:30 left with two of four free throws on a personal and technical feat against Kansas' Rex Walters. That was it, though Hunter did hit two more 3-pointers, but 89-85 with 32 seconds left was as close as Jackson State could

No. 4 Indiana 90, Butler 48: Indiana (10-1) became the first top 25 team to reach double figures in victories by holding Butler to 30 percent shooting and forcing 21 turnovers in Indianapolis. All five Indiana starters scored in double figures as Calbert Cheaney, Damon Bailey and Matt Nover led the way with 17 points each. Alan Henderson got 14 points and a tournament-record 19 rebounds.

And This Is What They Said (Really)

It was a husy year in sports. Here is how some of those involved saw

OLYMPIC CLASS "I used to be with three women

until 5 A.M. Now I'm in training, it's five women till 3 A.M." — Ita-ly's pride and joy, Alpine skier Alberto Tomba, on preparing for the

"By the time they took the bus from Brides-les-Bains to Albert-ville, they'd be too tired to shoot." - U.S. skater Christopher Bowman on the possibility of a terrorist attack in the French Alps.
"We have no word for downhill

in Senegalese because we have no mountains. I was so afraid f almost threw up." — Senegalese downhill skier Lamine Gueye.

"You start out as a raging bull and then turn into Tinkerbell." --U.S. foothall star Herschel Walker on life as a bobsled hrakeman.

He hit me. I hit him. You

wouldn't understand. It's a ghetto thing." — Charles Barkley of U.S. basketball "Dream Team" after elhowing an Angolan opponent.
"I'm lucky if my auntie recog-nizes me." — British oarsman Mat-

thew Pinsent, convinced a gold medal will not change his life. "The last few weeks have been tough. To train properly, f have

had to give up drinking and kar-aoke." — Ryohei Koba of Japan after winning hronze medal. "I slept not a wink. There's people snoring in seven languages" — An Irish journalist on cramped con-

WINNERS "He may be an awkward character off the circuit, hut only God could have given that talent . . . in a racing car, he's Superman." Team boss Frank Williams on For-

ditions in the press village. mula One champion Nigel Mansell. "I've nothing against letting

pean soccer champion Denmara.

"The English keep coming up and asking if they are free." — top women players are fat pigs. It's only 75 percent." — Dutch tennis player Richard Krajicek.

"The my decided to do a Fred

Sometimes I feel like Red

Adair. People only call me when things get out of control." — Much-traveled English soccer man-ager Malcolm Allison after his arrival at Bristol Rovers.

"I'm pleased for him - but it's "I'm pleased for him — but it's like watching your mother-in-law drive off the cliff in your new car."

"He wouldn't make the Derby trip in a taxi," — English trainer John Gosden on his colt Beggar-Tottenham Hotspur soccer chief Terry Venables on Paul Gascoigne's transfer to Lazio.

"Once again we got a good kick up the backside. Maybe it's the

shot in the arm we needed." --Australian cricket captain Allan
Border on the nine-wicket loss to South Africa in the World Cup, Nobody knew what he said hut

we thought it sounded bad so we fined him." — An ATP spokesman on Croatian-speaking tennis player Goran Ivanisevic. "Sbe won't be allowed in the from that is luggage." — Tennis embers dressed like that."—An agent Cino Marchese on fast-growmembers' dressed like that." - An Australian radio commentator as a female streaker ran across the Sydney Cricket Ground during the

World Cup semifinal. "I considered beating the living daylights out of it but it's probably got a wife and some snakelets so I let it go." — British golfer David Feberty after heing bitten by an

adder at Wentworth. "I think I made my first excursion into a dark bole today and. believe me, it was scary." - Jimmy Connors in Paris reflecting on the

"I feel I have been betrayed by young hrats." — French rugby

not at halftime." - Richard union coach Pierre Berbizier after Moeller Nielsen, manager of Euro- his team lost to Argentina.

probably be illegal." — Zimbabwean golfer Tony Jobnstone after winning the PGA championship.

"The guy decided to do a Fred Astaire on my head." — England rugby union lock Martin Bayfield after French prop Gregoire Lascube was sent off for stamping on

player on grass. The only time he ever comes in is to shake your hand." - Goran Ivanisevic on Ivan

man Thief. WEIRD AND WONDERFUL

"I swear on my wife. I've never noticed that riding a bicycle could make me impotent." —Giro D'Italia winner Franco Chioccioli on a Norwegian report about bike saddles affecting riders' sex lives. "I'll take a two-stroke penalty

hut I'll be damned if I'm going to play the ball where it lies." — Golfer Elaine Johnson after her tee shot hit a tree and bounced into her hra.

These are special shoes 1 had made up for him. The next size up

ing Ukrainian youngster Andrei Medvedev. "His driving is unbelievable. I don't go that far on my bolidays."

Golfer fan Baker-Finch on John

"The only time he opens his mouth is to change feet." — David Feberty on fellow golfer Nick

"A typical fan is a guy who sits on the 40-yard line, criticizes the coaches and the players and has all the answers. Then he leaves the stadium and can't find his car." --

University of Miami football coach

IT'S ELMO WITH HIS NEW CHRISTMAS BIKE

Dennis Erickson

bounded back onto rugby's official world stage against New Zealand

Both judging by the decision to play the white anthem Die Stem before the All Black test, both officials and players found old habits hard to break

South Africa was also the scene of one of the year's most costly mistakes when Nick Faldo was dis-qualified from golf's Million Dollar

Faldo had already been hailed as golfer of the year after a nerve- and endorsements that would bail shredding triumph in the British out whole governments in other Open at Muirfield, but his Sun City experience neatly underlined bow incestuous the relationship between money and sport has be- mere tennis tournament, the Grand

Sport, by rights, should scarcely tions about where sport is heading, rate a mention alongside famine.

The current answer seems to be

Classic at Sun City for a scorecard error. war and natural disaster, yet base the law courts, where the Reynolds error. athletics. Agassi and Lewis attract salaries

Slam Cup, it again prompted ques-

But dragging sport into courtof-scures the basic truth; That sponsors, managers and promoters are nowhere without genuine sporting characters.

McEnroe is the perfect case. Rude? Sure. The most gifted tennis player of all time? Arguably, East

Postcard Highlights From Datelines Near and Far

By George Vecsey

New York Times Service

NEW YORK — When I was a news reporter in Kentucky, I schemed to find stories from exotic datelines like Pippa Passes or Greasy Creek or Dwarf. Alas, I never did get out to the Illinois border to justify an article from Monkeys Eyebrow. Since they don't play the Super Bowl in Rowdy or Fisty or Cutshin, Kentucky — although, goodness knows, they should — a sports columnist usually takes the datelines in the big cities, with their megahotels and humongadomes. And at the end of the year, I send postcards from wherever

the action was,
MIAMI, Jan. 1 — Miami wins the Orange Bowl, Washington wins the Rose -

Bowl, both of them are 12- Vantage 0 and share the various championships. I remain convinced that if they

played for the national title, the resourceful Miami Hurricanes would find a way to win, by a missed field goal, or a safety, or whatever it takes. MINNEAPOLIS, Jan. 26 — Thurman Thomas complains

all week that he gets no respect. Then be loses his belinet for the first play from scrimmage in the Super Bowl, and the Buffalo Bills consequently lose their heads to Washington.

ORLANDO, Florida, Feb. 9 — Teased to shoot by Isiah Thomas, Magic Johnson fires off an awkward 3-point goal with 14.5 seconds left, and his admiring colleagues walk off the court in tribute. Nuff said. Magic scores 25 points, takes nine rebounds, and shows the world that somebody with

HIV can perform at his best. BOCA RATON, Florida, Feb. 15 - Seen on the tube, the Winter Games seem disjointed, 16 days in electronic jet lag.

Why is figure skating the big ticket of the Games? PHILADELPHIA, March 28 — Christian Laettner loses some respect as a person by stepping on a fallen opponent, but he gains respect as a player by sinking a basket with a last-second turnaround shot. In the best game of the college basketball season, Duke beats Kentucky, 104-103, and will then win the title in Minneapolis,

NEW YORK, April 8 - I walk into my office and spot a stricken colleague, on the verge of tears, "I just heard about Arthur," she says. It is very hard for a lot of us to accept that a national treasure like Arthur Asbe should be imperiled by AIDS from transfusions for his open-heart surgery.

CHICAGO, June 3 - Never have I seen eight reporters giving high-fives at courtside, but that's what happens as Michael Jordan throws in six 3-point shots in the first half against Portland in the NBA finals. The spontaneous daring and artistry of his rare long shots turn impartial journalists into momentary fans.

BADAJOZ, Spain, June 26 — Out by the Portuguese border, wearing their Grateful Dead tie-dyed warmups, the Lithuanian subs cheer as the regulars stay in the game to clobber their old pals from what is now called the Commonrealth of Independent States by 37 points. Both advance in the Olympic qualifying tournament.

WIMBLEDON, England, July 4 - After two weeks of Wimbledon officials fretting about athletes grunting. Monica Seles reduces ber volume and her intensity, losing to Steff Graf. 6-2, 6-1, in the final. A classic victory for British

WIMBLEDON, England, July 5 - A disciplined Andre Agassi survives hard-serving Goran Ivanisevic for his first Grand Slam title, and humbly says be probably should not

have ducked the grass surface in the past.

BARCELONA, July 30 — The young sailor on the Spanish yachting team nods his head. Yes, he will grant his first interview of these Games, but only if his two crew members are also present. Long after his actual remarks are forgotten, I will remember the poise and modesty of Don Juan Felipe of Bourbon and Greece, the next king of Spain.

BADALONA, Spain, Aug. 8 — While Magic Johnson and his teammates blow kisses from the gold-medal stand, the players from Croatia and Lithuania are celebrating their

silver and bronze medals, thrilled to finally represent their nations, BARCELONA, Aug. 9 — The greatest winner of the 1992' Summer Games has been the revived Catalan city itself, with

the hill of Montjuic sparking at night and the Gother Quarter pulsing with life. The beauty and bistory of Barcelona has sent cold shivers into Atlanta, which somehow. managed to procure the 1996 Games. NEW YORK, Sept. 13 — After the crowd praised Jimmy

Connors for turning 40, and New Yorkers showed affection for Ivan Lendl, and Barbra Streisand sensed hitherto undiscovered "Zen master" qualities in Andre Agassi. Monica Seles and Stefan Edberg capture the U.S. Open.
ATLANTA, Oct. 14—Some people will remember Francisco Cabrera's pinch hit. Others will remember Sid Bream's

milk-horse rumble home. Millions of others will remember Andy Van Slyke slumped to the earth in center field." stunned by the Braves' three-rull rally in the bottom of the ninth in win the pennant, 3-2.
ATLANTA, Oct. 24 — With both teams running low on

players, Dave Winfield exorcises his slump of 1981 by lashing a two-run double. Canada wins its first World Series and Cito Gaston becomes the first black manager to win a World Series as the Blue Jays beat the Braves, 4-3.

NEW YORK, Nov. 1 — Accompanied by his friend, a runner named Grete Waitz, Fred Lebow defies brain cancer

hy completing the marathon in 5:32:34. The two embrace at == the finish line in one of the most compelling moments I have 2

ever seen at a sports event.

BROOKLYN. New York Nov. 24 — Riddick Bowe returns to his old neighborhood, displaying his heavyweight—championship boxing belts, and promising not to forget his.

NEW YORK, Dec. 10 - Some lemming-like owners spend millions of dollars in the face of deepening troubles for baseball. If there is no 1993 haseball season, I promise to find a sports column in Monkeys Eyebrow. In the meantime. my best wishes for a happy new year.

DENNIS THE MENACE

wives into the team camp. Love is

good for footballers as long as it is



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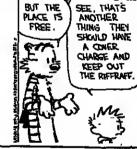


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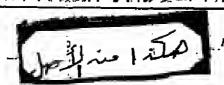


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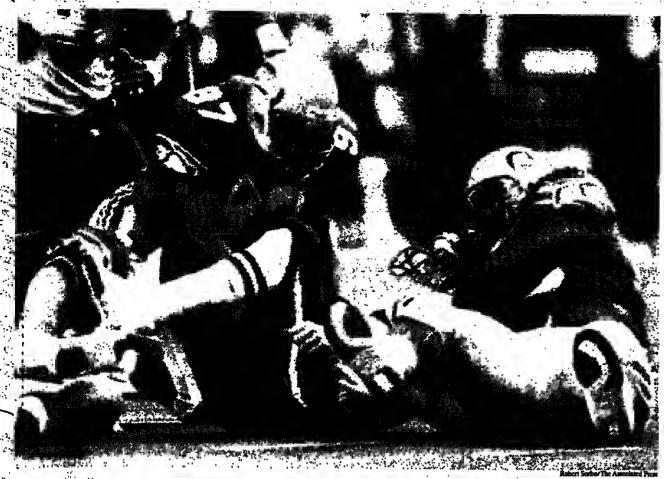




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SPORTS FOOTBALL

Kelly Sidelined as Oilers Beat Bills to Set Up Playoff Rematch



Stan Homphries, the Chargers' starting quarterback, had his left shoulder separated, above, when he was hit by the Seahawks' Rufus Carter, left, and Cortez Kennedy. Team officials said there is a possibility that Humphries can play
Saturday against Kansas City
in the AFC playoff game
that will be San Diego's first in
10 years, Derrick Thomas of the Chiefs, who stripped the Broncos' John Elway of the ball in the endrone, at right, also got three of his team's six sacks, forced an interception that was returned for a



another score.

touchdown and fell on the Den-.

ver quarterback's fumble for

Chargers Win Title in AFC West, but Humphries Is Hurt

Taking advantage of an injury that sidelined Buffalo's Jim Kelly and the return of their own long-injured quarterback, Warren Moon, the Oilers pounded the Bills, 27-3, Sunday night in Hous-ton to set up a rematch to the first round of the National Football

League's playoffs.
"I'm not counting myself our now," said Kelly, who had a ligament in his right knee strained in a

econd-quarter sack.
The loss ended a string of four straight AFC East championships for Buffalo (11-5), the fittle going to Miami after its vietory over New

England.
The Oilers (10-6) are in the playoffs for a league-best sixth straight
year. "This had to be our best game
of the year," said their coach, Jack
Pardee. "I hope it's not a false peak. If we play this way, we'll be around for a while."

The Oilers, with a reputation for playing close games and liking warm weather, could have played in San Diego instead of frigid Buf-falo by losing to the Bills. But Cody Carlson, the starter

since Moon was sidelined Nov. 15 with a broken arm, directed Houston to a 10-3 lead in the second quarter on a 13-yard touchdown pass to Leonard Harris and Al Del Greco's 28-yard field goal. Harris's TD was set up by Jerry Gray's two-yard interception return to the Buf-

Forume turned against the Bills after Kelly led a drive to the Houston S. He was sacked by Ray Childress for a seven-yard loss, and then Lee Williams fell on top of him with 7:58 left in the half.

Other Bills injured in the game were receiver Don Beebe, running back Thurman Thomas and line-backer Darryl Talley, although none appeared serious Linebacker Cornelius Bennett did not play, and star defensive lineman Bruce Smith played despite rib problems.

"I'm definitely in there for next week," said Thomas, who reported pain in both ankles and shoulders as well as a hip pointer.
The Oilers were forced to punt

oo Mooo's first series, but he completed the next drive with a 17-yard touchdown pass to the AFC's lead-ing receiver. Haywood Jeffires.

The Oilers got another scoring chance before the half when Bubba McDowell returned an intercep-tion 25 yards to the Buffalo 32. That helped set up an 18-yard field goal by Del Greco for a 20-3 half-

SIDELINES

The Oilers got seven sacks, drop-

with two interceptions.

Mooo completed 6 of 12 passes

Chargers 31, Seahawks 14: lo Seattle, San Diego oailed down the AFC West ritle, and its first playoff berth in 10 years, despite a separat-ed left shoulder sustained by start-iog quarterback Stan Humphries. "Our doctors tell me there's a possibility he could play," the

NFL ROUNDUP

Chargers' coach, Bobby Ross, said of Saturday's playoff game against

Kansas City.

John Carney kieked a elob-record 16th consecutive field goal. Gary Plummer went 38 yards with an interception to set up a touchdown and Darren Carrington ran back another interception 26 yards

The Seahawks, with just 140 points this year, scored the fewest

business and in the process gave yards, Reich 11-of-23 for 99 yards Smith won the rushing crown with pleaty of business to the Buffalo with two interceptions. third quarter. He is the nintb player to win consecutive rushing titles.

He gained 131 yards to finish with 1.713, topping the club record of 1,646 by Tony Dorsett in 1981. Buccaneers 7, Cardinals 3: Vinny Testaverde's 23-yard pass to Mark Carrier provided the only TD in Tampa, Florida, as the Bucs ended

Rams 38, Falcons 27: Rookie Todd Kinchen scored twice oo punt returns and David Lang ran for three touchdowns as Los Angeles, playing at home, ended a 15game losing streak to NFC West

a five-game losing streak.

Atlanta's Wade Wilson threw for more than 300 yards for the third straight week, going 31-of-47 for 374 yards, with three touchdowns but three interceptions.

The Seahawks, with just 140 In earlier games, reports on points this year, scored the fewest which appeared in some Monday edipoints ever by an NFL team in a tions of the International Herald

Chiefs 42. Broncos 20: In Kansas

The Associated Press ping Kelly's backup, Frank Reich, playing at home, set a club record City, Missouri, Derrick Thomas The Houston Oilers took care of six times. Kelly was 5-of-9 for 47 for victories with 13 as Emmitt got three of his team's six sacks. got three of his team's six sacks. forced an interception that was returned for a touchdown, tackled Denver's John Elway io the end zone and fell on the quarterback's fumble for another score.

Dolphins 16, Patriots 13: Pete Stoyanovich's 35-yard field goal 8:17 into overtime, his third of the game, gave Miami its victory in Foxhoro, Massachusetts, Dan Marino was mediocre until the final two Dolphin drives, which produced the 1ying 10uchdown on Bobby Humphrey's 1-yard run and Stoyanovich's second game-win-ning field goal in two weeks. Eagles 20, Giants 10: Unbeaten

and united at home for the first time io 43 years, Philadelphia won its fourth straight as Randall Cun-ningham threw for one touchdown and scrambled 20 yards for another. Herschel Walker, signed as a free agent in the offseason, ran for 104 yards to go over 1,000 for the second time in his eight-year NFL eareer with 1,066. The Eagles sacked Jeff Hostetler five times,

Buffalo bad to beat the Oilers on Sunday night, a victory assuring not only a division crown but the

home-field advantage throughout the pleyoffs. Instead, that bome-field edge fell to Pittsburgh.

San Diego's title gave it a first-

Losing 'Skins Squeak Into Playoffs

New York Times Service

New York Timer Service
NEW YORK — The Washington Redskins, who wound up the season with consecutive losses, avoided the embarrassment of beavoided the embarrassment of be-coming another Super Bowl cham-pion to miss the playoffs the next

Although the Redskins were up-set in their regular-season final Sat-urday, by the Los Angeles Raiders, they backed into the playoffs oo Sunday as the National Conference's final wild-card team when Green Bay was eliminated by los-

But it took until the final game of the seasoo's final Sunday for the picture in the American Confer-ence to become completely clear. Because Buffalo lost to the Oilers at Houston, the Miami Dolphins returned to the top of the Eastern Division for the first time since

Going into the day, only one playoff spot remained in the American Conference, but it wasn't that simple. Three positions were actually unsettled: the Eastern and Western Division champachiae Western Division championships

and a wild card. That final place was taken by the Chiefs, who eliminated the Denver Broncos. It was Kansas City's third straight appearance in postseason

The Chargers, who defeated the

Senday, Jon. 3 Istan at Buffalo. 1730 GMT ladelphia at New Driegns. 2100 GMT DIVISIONAL FLAYOFFS

Saturday, Jan. 9, or Sanday, Jan. 18 NFC first-round winner at Dallas, TBA NFC first-round winner at San Francisco, TB/ FERENCE CHAMPION
Sonday, Jos. 17
SUPER BOWL
Sunday, Jan. 21
Al The Rose Bowl
Posodeno, Colliornia

Seattle Seahawks on Sunday, woo their first Western Division title and playoff berth since 1981, and they did it under a rookie coach,

Bobby Ross. In the afternoon, the Dolphins had put themselves in positioo to

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round home game bext Saturday against Kansas City. And the wild-card team from the AFC East, Buffalo, will play host as well, facing Houston on Sunday. lo recent years it has become less

than automatic for a Super Bowl winner to get into the oext season's playoffs. The New York Giants failed after the 1986 season, the Redskins didn't make it after 1987 and the Giants after 1990.

The Redskins will play at Minneson Saturday while the New Orleans Saints are bost to the Philadelphia Eagles on Sunday.

"We're fired up about getting in," the Redskios' coach. Joe Gibbs, said after the Vikings' victory. "That's what you start out win the East title by defeating the Patriots in overtime. That meant about our injuries."

A hocurious

SCOREBOARD

NHL Standings

WALES COMPERENCE

CAMPBELL CONFERENCE

13—60.
Minosesia
Minosesia re Ochens 20, New York Jets 6 deales Rolders 21, Weshington 20 Seeley's Reselts Pitablesh 22, Cleveland 13 Knapa CTV 42, Denver 20 Materialo 27, Green Boy 7 mallinguis 27, Chrismatt 17 Semify Mee Seelend 13, OT Defroit 2 2 8-4
Chicoso 0 0 0-4
Corson 1101. Chicoson (7), Kendov (9), Federav (101, Shorts on soci—Defroit I on Wolfel
7-9-7-22. Chicaga (on Chaveldos) 17-5-10-32. of 14 New England 13, 07 Park Cingo York Glonis 18 Roms 32, Atlanta 27 Lebeau (16), Holler (71; Linden (16), Adams 1171, Bure 129(2. 5leer 111, Shets on sect--Mentreal ion McLean; 10-9-13-32, Vancou-ver (on Ray) 16-11-9-36. TRANSACTIONS.

ine coach. NAVY—Kevin Havens, Kevin Kozok and

arian Cochron auli bosketboli teom.
NICHOLLSSTATE—Normed Rick Rhoodes

factorii coach. NORFOLK STATE—Named Archie Cooler

NORFOLK STATE—Named Archie Cooley football coach.
PORTLAND STATE—Named Tim Weish football coach.
RIDER—Named Robyne Johnson case-clore coach of men's and women's track and field and men's and women's crass country.
SOUTHERN CAL—Named Jim Empey solf coach.

back; Percy Singleton, wide receiver; and James Bracks and Darius Smith, offensive linemen, incligible for the Caffon Bowl for

UTAM STATE—Named Chuck Bell athletic director.
WAKE FOREST—Named Jim Coldwell

14 22 2 2 12 14 BASKETBALL The Division 23 10 4 50 148 113 21 10 5 45 158 184 22 13 4 44 159 124 13 19 5 31 105 147 13 19 3 29 123 141 6 29 1 12 109 101 **NBA Standings** Son Jose a 29 1 12 109 101

SUNDAY'S RESULTS

Pittsbergh 1 2 1—4

Beffulo 8 1 1—2

Joyr 1101. Tocchel (24), Errev 121, Stevers
1201: Mogilary (201 2. Shots on good—Pittsburgh (on Hosek, Puppol 3-10-13—24. Buffoto (on Wreoped) 8-17-11—34.

Horiford 1 0 1—2

New Jersey 2 3 1—6

Sonderson (18), Cossels (7); Driver (3), MacLeon (4), Olonon (3), McKay 19), Cloor (4), Storsty 191. Shots on good—Horiford Ion Billington) 12-12-7—31. New Jersey Ion Burke, Pietrongelol 12-15-20—47.

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South Africa vs. tadio, Third Day
Manday, (a Port Elisabeth, South Africa
India 1st Innings: 212
South Africa 1st Ionings: 275
India 2nd Innings: 71-6 Australia vs. West (ndies, Third Day Monday, in Melbeurne Australia 1st Innings: 275 West Indies 1st Innings: 233 (85.2 overs) Australia 2nd Innings: 26-1 SECOND ONE—DAY INTERNATIONAL mings: 136-6 |42 oversi nd innings: 137-4 |37,4 oversi ENGLISH PREMIER LEAGUE

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air robbed the New Zealand maxi-ketch Endeavour of the Sydney-to-Hobart race record Monday. The fickle weather also allowed the Australian pocket maxi Amazon to drastically cut Endeavour's lead, to about 15 oautical with 100 nautical miles to go in the race. For the Record

Sal (The Barber) Maglie, 75, the last of eight major leaguers to play the New York Yankees, New York Giants and Brooklyn Dodgers, died pneumonia in Niagara Falls, New York. He was the Dodgers' losi pitcher when Doo Larsen pitched a perfect game for the Yankees in tifth game of the 1936 World Series.

Kronberger Retires From Ski Racing

VIENNA (AP) — Petra Kronberger, the World Cup overall champion for the last three years and a double gold medalist the Olympics, shocked the Austrian sports world Monday by announcing her retirement from

competitive skiing.

Krooberger, 23, admitting that her decisioo "may be surprising and incomprehensible for many," said she had lost her motivation and wanted to finish high school and possibly go to college.

"I've already achieved everything in ski racing," she said in a statement issued by the Austrian Ski Association that called her decision final.

SYDNEY (Reuters) - Gale force winds followed by a pocket of calm

Lead Yacht Hits Gale, Then Calm

David Platt, the England and Juventus midfielder who underwent ki surgery last month, has developed an inflamation in the knee and may not able to play again until mid January.

The German Swimming Federation threatened to take the Internation Swimming Federation to court unless the world governing body lifts Jan. 31 its "arbitrary" 18-month ban imposed after 1988 Olympie silvent and the strength of the strength

medalist Astrid Strauss failed a drug test.

Federico Cane, 21. and Marco Gironi, 23, were given suspended tw year prison sentences by a court in Bologna for causing the death of Engli football fan John Monaghan during the 1990 World Cup finals. Monagha 26, was hit by a car while scuffling with the two Italians.

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TO OUR READERS IN SWITZERLAND

(Continued From Page 13)

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Buy Access? Not Us

WaSHINGTON — They held a Democratic fund-raiser to Washington the other night. For as little as \$15,000 a table you could eat in the same hall as Presidentelect and Mrs. Clinton

Democratic bigwigs insisted that to the affair were not trying to buy access to the new president and his administration but were investing in

a movement to change America for the better. That's why so many Republi-

Buchwald can lobbyists attended. "Why do Washingtonians turn

up for political fund-raisers?" I asked some influence-peddlers. One man replied, "The only reason we come is because our wives

hate to cook." Another tobbyist said, "These dinners are a good buy. For \$1,500 per person you get soup, a fish course, a good slice of roast beef and a vegetable, plus a salad and baked Alaska for dessert. I defy you to find a meal at that price anywhere else in Washington, except at Scholl's Cafeteria."

I asked Pat Kilroy, a female lob-byist, why she was there. "No wom-an lobbyist can get into the locker room at the Burning Tree Country Club, so we come here for our male

bonding," she told me. Everyone I talked to denied that he or she had bought a table to get in good with the president and his

Record Price for Scotch Shot in Arm for Charity

EDINBURGH — An Italian has paid a record sum for a bottle of 50-year-old malt whisky that can he bought in Britain for a fraction of the price. The anonymous buyer paid 99,999,999 lire (\$70,126) at a Milan charity auction for a bottle of 1942 Glenfiddich.

The Scotsman's whisky writer, Jim Murray, said a bottle could be obtained from a London whisky specialist for £3,500 (\$5,355),

One anti-environment lobbyist explained, "We would never do such a dumb thing. Democrats don't respect you if you buy tickets to their affairs in hopes of persuading them to support your cause. I'm here because I'm Al Gore's biggest fan, and I'll go anywhere if I know he'll be at the dinner."

I asked another lobbyist if be was buying any tickets for Republi-

can fund-raisers recently.
"No," be admitted. "That's because the quality of the food has been falling off lately, and I find the service appalling. If you can't get a good fresh piece of chicken at a fund-raiser, then there's no reason to attend."

"What do people who come to \$15,000-a-table dinners talk about?" I wanted to know.

A lobbyist for the meatpackers of America said, "We talk about the same things that most Americans talk about around the holidays - tax reform, unfair industry regulations, tariffs on Japanese and French imports, and why we still need a strong military-industrial

"I assume that there's no attempt to bring up any political problems that your clients may be experienc-

"That would be very gauche. Af-ter all, when you dine in a man's house you're there to enjoy yourself and bave a good time. The only thing you might do is jump up between the meat and the dessert course and shake hands with the president and say, 'Joe Flounder, Wallpaper Boosters Association.' So at least he knows you bought a table," a veteran lobbyist said.

I decided to pose another ques-tion to the group, "What about the people who can't afford \$15,000 for

A fund-raiser chairman assured me that their voices would be respected the same as those supping

"We have set aside sidewalk space in front of the White House and the Capitol for people who have a message. They'll need to shout it, but they will be heard." "Will lobbyists bave as much in-

fluence under the Democrats as they did under the Republicans?" Why not? We're all family."

Miranda Richardson Defies Typecasters

By Michael Specter New York Times Service

TEW YORK - After years of resistance, Miranda Richardson has graciously agreed to become a movie star. She hates crowds, photographers and ioterviews. She is not particularly fond, either, of having to talk her way across America — to plug her new movies, "Damage" and "The Crying Game."

She refuses to discuss her personal life ("that's why they call it personal"), and she thinks prattling on about her craft

But stardom has its demands, and acting isn't always among them. This makes her crazy, because the 34-year-old Richardson is an Actress with a capital A, a high-minded Brit from the "Masterpiece Theater" school, where art matters and the commerce attached to it is a necessary

vulgarity.

She had her first burst of glory in the United States seven years ago, with her film debut in "Dance With a Stranger." She played Ruth Ellis, a deadeye femme in stiletto heels and blood-red lipstick who murdered her boyfriend in 1955, bleached ber hair before walking into the courtroom and became the last woman hanged in

The movie was a success, and Richard-son was praised lavishly by American crit-

ics. Then she disappeared.
"If you don't work in America, Americans think you are dead," she said, laughing a little derisively at the notion that if you don't appear in a Hollywood movie you aren't acting.

"In fact, it's the other way around, don't you think? Anyway, I worked a lot after 'Dance, but I also needed to rest. It was my first film, and I wasn't ready for the response. And I got some scripts that I would rather not have read, let alone work with." But she has surfaced in the United

States again this year, displaying her range and talent with three compelling — and pointedly diverse — film performances: as the dowdy, upright, but disconnected Rose in "Enchanted April," Mike Newell's wry examination of four Englishwomen vacationing in Italy in the 1920s; as Ingrid, the stolid middle-aged wife of a member of Parliament whose unique obsession destroys him and his family in Louis Malle's explosive film "Damage"; and as Jude, the fiery IRA regular who changes identities with dizzying regularity in Neil Jordan's "Crying Game." The three portrayals prompted the New

York Film Critics' Circle to vote Richard-

son best supporting actress of 1992.

"The biggest sin in my business is having a label," Richardson said during a receot interview. "And I will do anything I



Richardson as an IRA member in "The Crying Game," left; as Rose in "Enchanted April," top right, and in "Damage."

say, 'Oh, yeah, she's the tart killer type, or the society matron type.' I want them to say, 'Oh, yeah, she can play anything.'" So her career has been a studied march

from training at the Bristol Old Vic to a variety of repertory roles on stage to television, where she has played a zany, schizoid version of Queen Elizabeth I. a sciencefiction terrorist reminiscent of the renlicants in "Blade Runner" and dozens of

Richardson admits to the need for diversity — and for diversion. She said she was a "singular" child — quiet and in-tense. She is the second daughter of s marketing executive and a housewife. Her older sister is a chiropodist. She is not related to the other British Richardsonswho have made stage and film careers. A youth of silence and solitude in

can to keep a director from being able to . Southport, just north of Liverpool, has given way to an almost obsessive need to cycle through as many types of acting experiences as she can perform.

Asked whether she finds film, television

or theater the most enticing medium, she

answers quickly: "None of the above, really. The most dangerous medium is radio, And for Richardson, who appears smaller, softer yet more remote in person than on film, danger is obviously an experience worth pursuing. "You never want to do the same thing too often," she says, ooting that she is obsessed with the strug-gle to be original.

"If you are not original, then you aren't acting." But acute originality presents di-lemmas. Directors don't want troublemakers, and, as she readily observes, there aren't all that many interesting parts out there.

She should know. After rejecting a dozen of the action-adventure roles that were sent to her after her success at playing a killer in "Dance With a Stranger," Richardson appeared in Steven Spielberg's "Empire of the Sun," in which she portrayed a British prisoner of war in Japa-nese-occupied Shanghai during World

The 1987 movie was noted more for its Spielbergian pyrotechnics than for the intensity of its characters, and Richardson's dislike of American films deepened. That's why she has decided that stardom - and the power it brings - has its

"It took Neil seven years to scrape up enough money to make The Crying Game, she said, slowly shaking her head, "And it's so much more interesting **PEOPLE**

Harry Connick Held For Concealing a Gun

Harry Connick Jr. 25, the Gram. my-winning crooner who has brought back standards by George Gershwin and Hoagy Carmichael was jailed on charges he tried to board a plane with a gun in his carry-on bag. He was arrested at New York's Kennedy Airport as he was about to fly to New Orleans He was charged with possession of a weapon, which carries up to a year in jail and a \$1,000 fine, and held for arraignment.

The naming of the 80-year-old North Korean leader Kim I Sung's son, Kim Jong II. 50. as supreme commander of the armed forces has created a bull market in North Korean art: Since bis appointmen a year ago, more than 1,400 poems.
20 novels, more than 200 songs and scores of art works, television series and essays have been created to praise him, the Korean Central News Agency reported. Kim Jong Il is considered the heir to his father, but it is not yet official,

The office of Prime Minister John Major denied a report that he will ask Parliament to change the law so that Prince Charles can remarry in the Church of England if he divorces Princess Diana. A Logdon newspaper said that Major sympathized with a desire by Queen Elizabeth I to dump an ancient act that prevents the Arch-bishop of Canterbury, spiritual head of the Church of England, from issuing a marriage licence to any divorced royals. "There is no indication that the prime minister has considered this." his office said. "Anyway, since the Prince and Princess of Wales have said there are no plans for divorce the matter does not arise."

Michael Jackson bought an 80-foot wall in Los Angeles and reportedly plans to have a mural of himself painted. The Hollywood Arts Council says the pep superstar plans to have himself immortalized on the wall of the El Capitan The

INTERNATIONAL CLASSIFIED Appears on Pages 6 & 13

O New York Times, edited by Eugene Malesla

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BRIDGE

ACROSS THE TOP OF THE WORLD: To the North Pole by Sled.

Balloon, Airplane and Nuclear Icebreaker By David Fisher. 256 pages. \$25.

Random House.

Reviewed by Jonathan Yardley

O Robert E. Peary it was "the lure of the north!" He called it "a strange and powerful thing."
one that even amid "the comforts of civilization and the peace and serenity of home" would provoke "the old restless feeling." Soon enough "t began to long for the great white desolation, the battles with the ice and the gales, the long,

arctic day, the handful of odd but faithful Eskimos who had been my friends for years, the silence, the vastness of the great, white lonely North. And back I went . . ."

It is a lure that, in the minds and earts of many, remains undiminished even in an age when technology has made the arctic almost routinely accessible. The North Pole retains immense mythic and symbolic power: the place at the top of the world, the chimera for which scores of men have lost their lives. the land of endless ice and unbearable cold. Its lure is so strong that it has now become a stop on the itinerary of what David Fisher calls "a pared to those that offer the usual cruises to Bermuda, the Bahamas or Hawaii, but still larger than l with the ice and the gales, the long, long arctic night, the long, long to out-of-the-way places."

1991. It began in Murmansk, in what was then still the Soviet Union and ended three weeks later at Provideniya, in easternmost Siberia. About a bundred tourists paid the \$30,000 fare to sail aboard a Soviet ouclear icebreaker, Sovetskiy Soyuz; Soviet efficiency being what it was, about a bundred crew members were on hand to serve them, though "serve" may be overstating it a bit. One of these tourists was Fisher, a nuclear physicist, author of 14 previous books and director of environmental sciences at the University of Miami. The result is "Across the Top of the World," an entertaining and interesting if peculiar and some-

One such cruise took place in July

Jonathan Yardley is on the staff of The Washington Post.

what irritating book.

By Robert Byrne

N the game between Vladimir Dimitrov of Bulgaria and the Yugoslav grandmaster Bosko bramovic in the Euroinvest Bank International Tournament in Prilep. Abramovic ducked when be

should have slugged.
In the accelerated Dragon Sicilian with an immediate 4...g6 in place of the mainline Dragon 2...d6 3 d4 cd 4 Nd4 Nf6 5 Nc6 g6, Black allows the Maroczy bind with 6 c4 and thereby avoids early attacks on his king; the tradeoff is that White keeps a grip on center space that can give the opponent a lifeless

pawn position. Abramovic exchanged knights with 10...Nd4 11 Bd4 and offered the exchange of bisbops with duce the effect of a cramped position. Naturally, Dimitrov denied

him the second exchange by pa-tiently retreating with 14 Be3.

After 14... Nc5. it would be difficult for White to plan a kingside attack since f4 is impossible to arrange. Dimitrov therefore worked on the queen's wing where he could wear away the obstacles. Thus, after 15 Rabi Qb6 16 Rfc1 Rfc8 17 Rc2!, be could not long be delayed by 17...Qb4 because 18 Qc1 and 19 a3 breaks the blockade.

Moreover, after 17...Qd8 18 a3. Abramovic could not establish an outpost with 18...44 19 b4 Nb3 beuse on 20 Qd1, Black is ble to the threat of 21 b5 Bb7 22 Na4! Ra4 23 Rb3.

On 18...b6 19 b4 ab 20 ab Na4, Dimitrov kept to his strategy of sustaining complexity by avoiding a knight exchange with 21 Nd5. And, Abramovic, anticipating pressure from 22 Bg5, loosened his solid pawn position to drive back the intrusive knight with 21,,e6 22

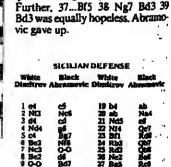
CHESS

It was not long before Dimitrov went after the weakened do pawn with 25 Rd3 His alternative. 25...Qb8, might also have been suf ficient had be courageously played, after 26 Ne2, 26... b5!? for example, 27 Nd4 Bd4!? 28 Rd4 e5 29 cd ed 30 Bd4 Bb5 31 Qd5 Bf1 32 Qf6 Kf8 33 Kf1 Ke8 34 e5 de 35 Re2 Qb5! 36 Kf2 Qe2! 37 Ke2 ed would win for Black.

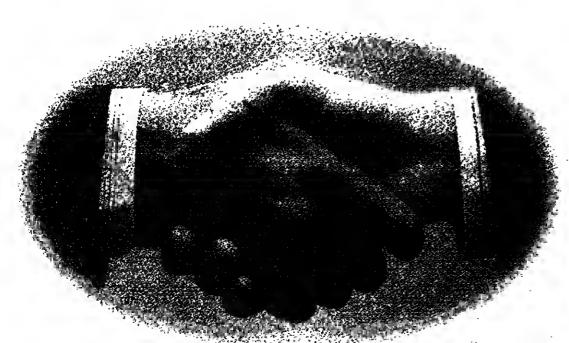
Instead, be became timid and retreated with 26... Be8, yet after 27 Be5, he refused to try one of the ugly though necessary defenses, 27...16 or 27...Rd7. His choice, 27...Rc8?, lost a pawn after 28 Be7! the problem of getting compensat-



ing activity for his pieces, over-Abramovic, preoccupied with 37 Nh5! one point was that 37...gh?



ly threatening 39 Qf6 or or 39 Nf6.



Speed up the approval process.



